

THE GLOBAL NEWSPAPER
Printed Simultaneously
in Paris, London, Zurich
and Hong Kong

Herald Tribune

Published With The New York Times and The Washington Post

No. 30,880

PARIS, WEDNESDAY, JUNE 2, 1982

ESTABLISHED 1887



British Defense Minister John Nott, above, Prime Minister Margaret Thatcher, above right, and Foreign Secretary Francis Pym, below.



British Capture Height Near Stanley

Battle Is On for Control of Ridges Overlooking Capital

LONDON — British troops have captured snow-capped Mount Kent, a 1,535-foot (468-meter) strategic gateway to the Argentine stronghold at Stanley, and are battling for control of other ridges overlooking the besieged island capital, the Press Association reported Tuesday.

The news agency's military correspondents, who regularly receive briefings at the Defense Ministry, said "fewer than 10" British soldiers were wounded and one was killed in the fighting for Mount Kent, 12 miles (19 kilometers) west of Stanley. Some Argentines were reported killed.

Independent Radio News said British marines and paratroopers "almost certainly" have won control of Two Sisters, a 362-foot ridge that is three miles closer to Stanley.

That would put units of the estimated 4,000-man British force, reportedly backed by 3,500 infantrymen landed from the requisitioned

liner Queen Elizabeth 2, within 9 miles of the defense perimeter established by an estimated 7,000 Argentine troops.

The Defense Ministry would not comment officially on the reports. It maintained a news blackout on action around Stanley, as it has done in the past when major operations were under way.

The reports indicated that lead elements of the British force have pushed back the Argentine perimeter, and that Stanley is now within range of batteries of 105mm artillery pieces, which the marines have airlifted from the beachhead at San Carlos Bay, 50 miles west of Stanley.

Meanwhile, a BBC reporter said Tuesday in London that Argentina dropped at least two napalm bombs on British troops attacking Goose Green, a small town that no one was injured. "It has been confirmed tonight that napalm was used against men of the 3d Parachute Battalion," BBC reporter Brian Hanrahan said.

"At least two napalm bombs were dropped on their positions as they advanced on Darwin and Goose Green last weekend, although both bombs fell wide, harming no one."

British officials said Maj. Gen. Jeremy Moore, a marines officer, had arrived in the Falklands to take over direction of the struggle for Stanley.

In Buenos Aires, officials said Argentine forces have inflicted heavy losses on the British. But the Joint Chiefs of Staff had no immediate comment on British reports of fighting around Mount Kent.

However, a communiqué said that British ground forces, backed by helicopters and artillery, had been detected in the vicinity of the hill, which dominates approaches to the capital.

The Argentines said they were "adjusting security preparations and reinforcing their positions" in the Mount Kent area.

The Press Association reported, without attribution, that Britain's

backup of force of 3,500 Scots and Welsh Guardsmen and Nepalese Gurkhas had been landed north of Stanley. The Defense Ministry refused to confirm the report.

A military spokesman in Buenos Aires said that the surrounded Argentine garrison was in a difficult position but added that British forces would "pay a very high price to take Stanley."

Argentine troops dug into defensive positions around Stanley will offer "determined resistance," he said.

Government sources in London were quoted as saying the commander of the British task force, Rear Adm. John Woodward, has been given full authority to decide whether to offer the Argentines in Stanley an opportunity to surrender.

The sources were quoted by the Press Association and Independent Television News. Prime Minister Margaret Thatcher met again with her Cabinet, and government officials said the possibility of a surrender offer was discussed.

U.S. and British officials, intercepting messages from the beleaguered Argentines, expect the Argentine garrison to surrender within 72 to 96 hours, ABC News in London reported. The report said the only question is when they would surrender.

The Argentine military commander on the islands, Gen. Mario Benjamin Menéndez, called on his troops to inflict a resounding defeat on the British.

British press reports said the British forces from Darwin-Goose Green and those from San Carlos had linked up for the assault on Stanley.

The British Defense Ministry said that 250 Argentine defenders had been killed in Friday's battle for Goose Green, 15 miles south of the British beachhead on East Falkland Island. The ministry earlier had reported 120 Argentine casualties, without giving a specific figure for deaths.

Britain said it lost 17 men.



Junta Finds Defeat Hard To Explain

Patriotic Ad Campaign On Wane in Argentina

By Dial Torgerson

Los Angeles Times Service

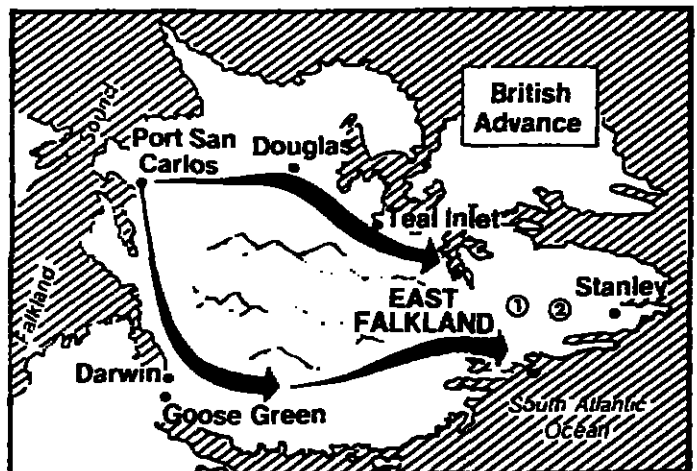
BUENOS AIRES — A multimillion-dollar propaganda campaign to convince Argentines that "we shall win" was winding down this week into a few painfully terse words admitting defeat on the islands known here as the Malvinas.

The campaign, launched in early April to inspire patriotic fervor, continued Monday with catchy tunes and heroic slogans on radio and television, at movie houses and on T-shirts and wall posters.

But the news now is grim, and the military command finds it hard to explain defeat. The command dismissed the loss of the first land battle on the Falkland Islands with one word — the British were "established" at Darwin. It said — and instead claimed a victory at sea.

The headlines Monday proclaimed an attack by Argentine planes on the British fleet in which an Argentine missile was said to have damaged the carrier *Invincible*. "An attack never equaled in the annals of war," one article called it. But the Defense Ministry in London denied that the *Invincible* had been hit.

The military command made no mention of the British claim of capturing 1,400 Argentine troops at Darwin over the weekend.



British forces were reported Tuesday to be nearing the Falkland Islands capital of Stanley. British correspondents reported fighting at Mount Kent (1), and British news reports said the Argentines had "almost certainly" been pushed back from Two Sisters (2), ridges 9 miles (14.4 kilometers) west of Stanley.

of the British version of events, and the papers carried the stories of the surrender at Darwin.

Uruguayan radio stations also broadcast the London stories. Of Argentina's 26 million people, about 10 million live in the Buenos Aires area, within easy range of Montevideo stations. Others listen to the BBC or the Voice of America on shortwave. Word of what the British say is happening seeps through.

"I don't read the newspapers," said a Buenos Aires resident, José Isador Perez, "but I heard about Darwin Sunday on Montevideo radio. Today I went down to the office of La Nación to find out what was happening."

But the bulletins posted in the windows of the newspaper office were mostly about the attack on the *Invincible*.

The Argentine press, quoting "military sources," has put the other British carrier, the *Hermes*, out of action several times. London sources have consistently denied such reports.

"The military is damaging its own credibility," an Argentine advertising executive said. "Have you seen the poster that says, 'The Malvinas can never be negotiated'? Of course, they will have to be negotiated some day. What will

Russians Are Skeptical On Arms Negotiations, U.S. Senator Reports

By John Burns

New York Times Service

MOSCOW — Sen. Larry Pressler said Tuesday that he found "a great deal of skepticism" about the prospects for a new strategic arms agreement between the Soviet Union and the United States when he met earlier in the day with Viktor P. Karpov, the Foreign Ministry official named Monday to head the Soviet delegation at talks in Geneva beginning June 29.

Sen. Pressler, chairman of the Senate Foreign Relations Committee's subcommittee on arms control, said that Mr. Karpov and other senior Soviet officials sharply questioned President Reagan's sincerity in agreeing to the new talks and in calling for reductions in the two sides' strategic arsenals.

In particular, the South Dakota Republican said, the Soviet officials said that they considered it "not a very realistic judgment at all" to expect a new pact before the end of Mr. Reagan's current presidential term in January, 1985.

Sen. Pressler said that George A. Arbatov, director of the Institute of the United States and Canada, the Kremlin's "think tank" on American affairs, had used the word "extremists" to describe President Reagan's team of arms negotiators, including Edward L. Rowny, named to head the strategic arms delegation in Geneva. But the senator said that Mr. Karpov, Mr. Rowny's opposite number, had said that the two men had "a great deal of mutual respect," despite past disagreements on arms control issues.

Mr. Karpov has been a member of Soviet negotiating teams since the two sides first met in Helsinki in 1969 at the outset of talks that produced the first Strategic Arms Limitation Treaty. He met Mr. Rowny, then an Air Force general, during negotiations that led to the SALT-2 treaty. Mr. Karpov headed the Soviet negotiating team for most of the last year of those negotiations, while Mr. Rowny resigned from the U.S. delegation to make public his opposition to the pact just before President Jimmy Carter and Soviet President Leonid I. Brezhnev signed it in Vienna.

Mr. Pressler said that he offered the Soviet officials his opinion that Mr. Reagan "could be to arms control what Richard Nixon was to China" — meaning that Mr. Reagan, as a conservative, might be able to win American public support for arms reduction policies that a more liberal president could not. But the senator said that the Soviet officials responded with expressions of doubt about the reliability of any negotiating committee made by the president, in light of U.S. political uncertainties and the Senate's failure to ratify SALT-2.

U.K. Policy Dispute Is Reported

Jobs of Top 2 Thatcher Aides Believed to Be in Danger

United Press International

LONDON — Prime Minister Margaret Thatcher and her two top ministers are engaged in a bitter behind-the-scenes policy dispute over the war in the Falkland Islands, according to news reports and policy sources.

News reports Monday said that Defense Minister John Nott and Foreign Secretary Francis Pym, both of whom rose to prominence because of the Falklands conflict, have lost Mrs. Thatcher's esteem because of policy disagreements.

Mr. Nott's aides conceded that he will probably be removed as defense minister and put in another post before Mrs. Thatcher begins an expected investigation into how Britain failed to prevent Argentina from capturing the Falklands. Mr. Nott is blamed for military spending cuts that badly affected the Royal Navy.

Political sources said that Mr. Nott's public stature has grown because of media coverage since the Falklands conflict began, but that his influence in Mrs. Thatcher's war Cabinet has sunk so low that the prime minister has virtually taken over the role of defense minister.

Mrs. Thatcher has reportedly lost patience with Mr. Pym because of his comparatively soft stance on peace talks with Argentina. The Times of London said that some of Mrs. Thatcher's supporters "have begun to vilify Pym in the most disparaging personal terms."

Mr. Pym has not modified his position despite continued criticism from Mrs. Thatcher and from the right wing of her Conservative Party.

"We have made it clear," Mr. Pym said last month, "that we remain prepared to negotiate with Argentina about the long-term future of the islands." He said that Britain is "ready to discuss anything which either side might wish to put forward."

Opposition Labor Party leader Michael Foot urged Mrs. Thatcher on Monday to continue to seek negotiations, but, according to the Times and political sources, the prime minister feels that "this snacks of sellout, and she will have nothing to do with it."

Three other members of the Foreign Office are also believed to be in danger of losing their jobs.

Uganda Sinking Ever Deeper Into Corruption and Chaos

By Charles T. Powers

Los Angeles Times Service

NAIROBI — There is a store in Kampala, Uganda, where, they say, one can get anything for a price — things not found in the regular stores that have reopened with nothing to sell.

In this one store, run by the wife of Uganda's vice president, one can obtain videotape players, European styles in clothes and cameras and cosmetics and maybe even paid de foie gras.

For his part, Vice President Paulo Muwanga has other interests. He is the minister of defense, and he runs the banana trucks. Last week, he had four trucks on the road and a number of troops in the field fighting guerrillas.

The six-ton vehicles are owned by government cooperatives, and the bananas in them are sold from a privileged position on Kampala Road, the capital's main street, half a block from the Bank of Uganda. A blue-

uniformed policeman rides shotgun in every truck making the run from the city to the countryside.

The other day one of the guards counted 200 of Ugandan shillings, banded them in 10,000-shilling bundles and stuffed them into the glove compartment until banknotes spilled out onto the floorboards. His AK-47 rifle was being used as a paperweight to hold down the overflowing pinkish bills issued by the bank across the street. "We are never bothered," he remarked. "Everyone knows these are the trucks of the vice president."

So Mr. Muwanga's trucks cruise Uganda's roads with impunity, about the only thing that does. And no one else can get a license to sell bananas on Kampala Road.

That the vice president sells bananas hauled in government trucks does not raise many eyebrows in Uganda these days.

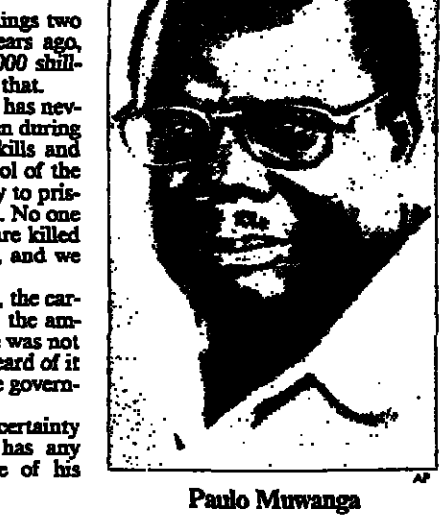
"There were 370 of us seven years ago," the priest said with a smile. "Now we are 200." He is a member of the Roman Catholic Verona Fathers, who have been in Uganda for 60 years.

"We have had five priests killed," he went on. "Father Samini was killed in Lira in 1979. We had two killed at Pakwach a few months later. Then there was Father Obongi just after the war; the liberation war, the one that drove Idi Amin out.

"Then, of course, Father Bilbau, just recently. He was the former superior here. A wonderful man. He had been in Moyo and was coming here for a little shopping. There was Sister Liliana, killed in Karamoja. We've had three other fathers shot."

"Last year, this was by the Uganda National Liberation Army. There are imprisonments, killings every night, people robbed and raped. Citizens sleep in the churches because they are afraid to go home.

"They go to work, but there is nothing for them to do. Shops are still closed; prices are



Paulo Muwanga

Foot Bones of 'Euprimate' Found

By John Noble Wilford

New York Times Service

NEW YORK — Fossil hunters led by a Johns Hopkins University paleontologist have discovered foot bones of what they report is the oldest known true primate.

The fossils, extracted from 50-million-year-old rocks in Wyoming, provide clear evidence of the earliest animal with a grasping big toe, considered by primatologists as a definitive feature in the early evolution of modern primates, which include monkeys, apes and humans.

The foot skeletons belonged to catusius trigonodus, a species long extinct but not unlike the living lemur and tarsier. The animal was the size of a small house cat. It may have been, according to the new evidence, close to the common

INSIDE

■ Harry F. Oppenheimer, one of the world's wealthiest men, announced in Johannesburg that he is retiring at the end of the year as chairman and director of Anglo American Corp., the world's largest mining company. Page 9.

■ In El Salvador, violence reportedly has surged since the March elections, despite broadly expressed hopes that the elections might end the killing. Page 3.

■ An American teacher, Lisa Wheeler, has been detained by Chinese police for investigation of alleged theft of Chinese state secrets, a U.S. Embassy spokesman said. He added that the United States has filed a protest. Page 5.

Iran Victory May Renew Gulf Power Struggle

By Thomas L. Friedman

New York Times Service

BEIRUT — If the Iranian-Iraqi war ended today, the wider battle for political and psychological domination of the Gulf would be just beginning.

This is the second time in the last three years that the balance of power in the Middle East has undergone a radical transformation. The first was in March, 1979, when Egypt signed its peace treaty with Israel and relinquished its role as leader of the Arab world.

Since then, the role of regional Moslem leader has been up for grabs. Saddam Hussein, the Iraqi president, made a play for the role, but it now seems clear that his reach exceeded his grasp.

Judging from the tones in which Ayatollah Ruhollah Khomeini of

Iran has been lecturing his Arab neighbors in the past week, instructing them on how they should treat everything from the Saudi Arabian peace plan, to Egypt, to Koranic law, he sees Iran as filling this role.

Whether Mr. Hussein started the Gulf war, it was clearly a battle both he and the conservative Arab oil nations, which pumped an estimated \$22 billion into the effort, felt was inevitable.

In the last few weeks, Iraqi officials have dispensed with the pretense that the war was fought to recover Arab territorial rights. The battle, they now make clear, was waged to contain the "aggressive and expansionist" Islamic revolution of Iran.

As long as Iraq was in a pre-dominant position, Iran was on the defensive and the effect of the Khomeini revolution on the neighboring Arab Gulf nations was limited. With its forces now having virtually driven the Iraqi Army out of Iran after 20 months of fighting, the Iranians have both the opportunity and the inclination to project their influence around the Gulf in a way they have never been free to do before.

No one is more keenly aware of this than the Gulf Arabs, who were warned last week by Ayatollah Khomeini to "repent and return to Islam" or face the consequences.

The foreign ministers of Kuwait, Saudi Arabia, Qatar, Oman, Bahrain and the United Arab Emirates, which are grouped in a conservative alliance called the

Gulf Cooperation Council, ended two days of talks in Riyadh Monday that had been organized to forge a united Arab stance on dealing with Iran.

No Unified Policy

But given their own differing approaches and the fact that Arab radicals such as Syria and Libya continue to support Tehran, the ministers failed to formulate any unified policy and could only issue a final communiqué that reaffirmed "its belief that ending the war is an essential factor in securing peace and stability in the region."

But if Iranian troops cross into Iraq, this could be expected to galvanize Arab radicals and conservatives.

Subtle shifts in stature as a result of the war have been noted.

(Continued on Page 2, Col. 6)

U.S. Firms in Argentina, Fearful About Their Future, Are Aiding War Effort

By Margot Hornblower

Washington Post Service

BUENOS AIRES — On May 6, two days after Argentina sank the British destroyer Sheffield, Ford Motor Argentina, a subsidiary of the U.S. company, announced that it was donating 60 trucks to the nation's military effort.

In a press release widely publicized here, the Ford president, Juan Maria Courard, noted: "These units, which Ford Motor Argentina supplies to the armed forces, constitute one of the ways that our company wants to be part of this decisive moment for the country."

Not to be outdone, Union Carbide Argentina, which owns two Eveready plants, offered \$30,000 worth of flashlights and batteries to the Argentine troops. Federico A. Dodds, head of Union Carbide here, proudly posted in his factory a thank you note from Argentina's President Leopoldo Galtieri.

"With Argentine emotion, I received your offer of the donation by your firm, which adds your effort to the ongoing of the Malvinas [Falkland] Islands for our national inheritance," Gen. Galtieri wrote to Mr. Dodds.

While Washington sends military supplies to aid Britain in the Falklands conflict, U.S. companies in Argentina, fearful about their economic future, are providing supplies, funds and moral support to the country's cause.

One U.S. food company donated \$50,000 worth of cheese, bouillon cubes and candy to Argentine soldiers.

"It would have been bad manners not to," said the company's president, who was solicited by an Argentine naval officer. "We look upon it as charity to the unfortunate who happen to be fighting. Besides, if I'd said no, I'd have 3,000 Argentine employees mad as hell."

The American Chamber of Commerce in Buenos Aires, representing 300 U.S. companies, sent a telegram to President Reagan on May 12 condemning British efforts to force a "territory whose inhabitants were treated by the British in a way that, in the United States, would have been a violation of human rights."

The chamber, whose 20-member board includes executives of companies such as Citicorp, Exxon, Goodyear, Coca-Cola and

Warner-Lambert, wrote to Mr. Reagan that the British effort was a "malevolent cause."

U.S. investment in Argentina reached \$2.4 billion at the end of 1980, or 40 percent of all foreign investments here. Spurred by offshore oil exploration and financial investments to take advantage of a favorable exchange rate, U.S. interests here grew rapidly after the military government took power in 1976 and cracked down on the guerrilla opposition movement. About \$9 billion of Argentina's \$34-billion foreign debt is reportedly owed to U.S. banks.

However, while a few executives of U.S. companies here have traveled to New York and Washington to plead for U.S. neutrality on the Falklands, there is little evidence that the headquarters of the multinational corporations are actively involved.

Does Exxon, which has large investments in Britain's North Sea, endorse the Chamber of Commerce telegram?

"We are a member of the chamber's board," said José María Cafferata, a spokesman for Esso Petrolera Argentina. "But that is a very difficult question to answer."

Esso Petrolera contributed \$150,000 to the Argentina Red Cross "oriented toward those affected by the conflict." Its employees gave to the Patriotic Fund, the government's multi-million-dollar war chest, as have the employees of IBM and virtually every other U.S. company here.

Lawrence J. Bocci, a chamber board member who represents an Ohio roller-bearing manufacturer, donated money to the Patriotic Fund.

"Everyone knows the Malvinas are Argentina's," he said. "But I wouldn't want to put my company's name on the telegram. Our investment in England is 10 times what it is here and I'm sure my counterpart in England feels equally strongly."

One exception is the First National Bank of Boston, or Banco de Boston, the largest foreign bank in Argentina with 25 branches here. Ogden White, head of the bank's international operations, recently criticized "Great Britain's unusual display of belligerence and the Reagan administration's backing of the United Kingdom's position of reiterated intransigence and aggression."

The Boston bank's top executives have lobbied for U.S. neutrality. Banco de Boston's general manager, Manuel Sacerdote, traveled to the United States at the Argentine government's request.

"But the reception was fairly cold," he said, adding that the U.S. position could mean that Argentines would "decide they'd rather do business with a local bank." On May 12, a bomb exploded in the bank's Quilmes branch but did not hurt anyone.

As anti-American sentiment grows following Argentine setbacks on the Falklands, a grassroots boycott movement against British and American products is gathering strength. U.S. exports to Argentina in 1981 were about \$2 billion, or 22 percent of the export market here.

Argentina's government has shown no signs of endorsing boycotts and has provided unsolicited police protection to U.S. plants.

U.S. companies in Argentina have expressed anti-Americanism before.

"We don't have any opinions but to cooperate" with the war effort, said Lawrence Dan-

iel, an official of the American Chamber of Commerce. "The Argentine is a very emotional creature. ... I remember in the '50s, if you didn't contribute to the Eva Peron Foundation, the government would shut you down."

Since April, many American companies have pulled their U.S. nationals out of Argentina. However, most U.S. companies have been managed by Argentines since the guerrilla war of the 1970s. At that time, executives of Coca-Cola, Firststone, Kodak, Exxon, Amoco and Banco de Boston were kidnapped for multimillion-dollar ransoms. Two Ford executives were murdered by guerrillas.

U.S. companies supported the military's severe crackdown against dissidents and still maintain warm relations with the armed forces. Indeed, one soft drink company executive said that current wartime contributions are nothing new: "We've been giving to the armed services for years."

Economists aside, many U.S. company executives here take Argentina's side in the war simply because they are Argentines in a nation that is largely united in favor of Argentina's recovery of the islands.

Central Europe Nuclear-Free Zone Urged by East-West Commission

The Associated Press

BONN — An independent commission of politicians from East and West proposed Tuesday a nuclear-free zone in Central Europe as a first step toward reducing the chance of nuclear war.

West German security expert

Egon Bahr, a member of the Independent Commission on Disarmament

and Security Issues headed by former Swedish Premier Olof Palme, presented the commission's report at a press conference.

Its primary suggestion is "the establishment of a zone free of nuclear battle weapons, reaching from Central Europe into the northern and southernmost tips of the two alliances" dividing Europe, the Warsaw Pact and the North Atlantic Treaty Organization.

The report proposed that this zone could be established in stages, beginning with the creation of a nuclear-free area 93 miles (150 kilometers) either side of the current line dividing Europe, Mr. Bahr said.

There would be no nuclear weapons deployed in this zone or used in maneuvers, the report said. It also excluded any preparations for missile deployment.

Such a zone would make the first use of nuclear weapons in a European war "practically impossible," Mr. Bahr said.

Mr. Bahr is a leading security adviser in the ruling Social Democratic Party in West Germany. Other commission members included former U.S. Secretary of State Cyrus R. Vance, former British Foreign Secretary David Owen and the head of Moscow's Academy for U.S.-Canadian studies, Georgi A. Arbatov, who is also a member of the Central Committee of the Soviet Communist Party.

Russia Launches Satellite

MOSCOW — The Soviet Union launched the space exploration satellite Cosmos-1371 on Tuesday, Tass said.

They presented their suggestions in advance of this month's United Nations special session on disarmament. Mr. Bahr said he hoped the session would take note of the proposals, worked out in a series of meetings of the 16-member commission over the past 18 months.

The report noted, however, that Mr. Arbatov had expressed doubts about the feasibility of such a nuclear-free zone. He suggested instead agreements that would reduce the quantity of nuclear arms in East and West.

Echoes of Peace Movement

Such suggestions were echoed throughout the report, whose condemnations of talk of a limited nuclear war recalled those used by the peace movement in Europe and the United States.

"The idea of fighting a limited nuclear war is dangerous," the report said. "Nuclear weapons are not weapons with which to fight a war." It went on to say, "It is urgently necessary to get rid of nuclear weapons."

The commission's report also called for a ban on all nuclear weapons tests and deployment of the neutron bomb, and the creation of a European zone free of chemical weapons.

It said it welcomed the superpower talks in Geneva begun Nov. 30 to reduce intermediate-range nuclear weapons in Europe. The talks should aim to establish "approximate parity" of these weapons in East and West "at the lowest possible level," the report said, and prevent the deployment of a new series of short-range nuclear weapons.

British Military Burial in Falklands Raises Issue of Where to Inter Dead

Los Angeles Times Service

LONDON — Controversy has arisen here over Britain's centuries-old practice of burying soldiers where they fall in action.

Some people have suggested that the bodies of soldiers killed in the Falkland Islands fighting should be sent home for burial, but it appeared Monday that the authorities would adhere to precedent and bury them in the Falklands' rocky soil.

The conflict of views came to light as the Defense Ministry raised from 12 to 17 the number of men killed last week when the 2d Battalion of the Parachute Regiment attacked Argentine positions at Darwin and Goose Green.

Still pictures of simple, somber military burial rites for the men were shown on British television. Eventually, if past practice is followed, a military cemetery will be established on the Falklands.

Michael Cork of Canterbury, the father of one of the dead troops, Anthony Cork, 22, told a reporter here, "I want my boy brought home so he can be near his family. We, his family, should be able to say what we want and have our wishes respected. I am sure the families of the other boys feel like us."

Reports from British correspondents at the scene echoed Mr. Cork's sentiments. An unidentified company commander was quoted as saying, "The lads want the dead to go home. ... The nation was quick enough getting us out here; it has a duty to get the dead home."

But a Defense Ministry spokesman said that no change was contemplated in the traditional policy, which evolved in times of slow and uncertain transportation, that has left British soldiers' graves in almost every corner of the globe.

Wyoming Bones May Belong To Earliest 'True' Primate

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sile from the Eocene epoch, which extended from 39 million to 55 million years ago.

After the bones were positively identified in recent laboratory analyses, Mr. Bakker reported:

"The new findings show that this species, which is more primitive in its teeth than nearly all living primates, had a large inner toe equipped with powerful muscles for grasping, joints for permitting the toe to close against the sole of the foot, and a large, flat toenail for protecting the extremity. These foot fossils prove that canis is entitled to wear the label 'euprimate.'"

The term euprimate, meaning true primate, was coined to apply to all living and extinct primates with the clutching toe, as distinct from the arboreal primates, which had claws instead of grasping, nail-covered great toes.

Mr. Bakker noted that, according to a long-standing theory, the advent of this toe set in motion the most important evolutionary trends leading to higher primates. The canis findings, he said, "lend important new support to that theory."

Freedom of Movement

According to Mr. Bakker, a nail-bearing great toe gave euprimates greater precision in climbing than that possessed by any potential predators or competitors.

Greater freedom of movement meant that canis and its kindred species could escape predators more easily and reach fruits and other foods out on branches inaccessible to non-euprimate species.

"With reduced predator pressure," Mr. Bakker said, "reproductive rates could fall and the young could mature slowly. That allowed them to learn much more under parental guidance than other animals could."

In the line of evolution leading to humans, the grasping toe and other climbing attributes were lost long ago, perhaps 20 million years ago. But there is a vestige of this arboreal heritage. For a time the human fetus develops a divergent big toe, then realigns it to the other four toes before birth.

Iran Victory Shakes Gulf

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sult of Iran's victory can already be detected.

Syria, for the past few years an outcast in Arab politics because of its backing for Ayatollah Khomeini and its hard-line approach to the Arab-Israeli conflict, now moves back to center stage.

Already, Prince Saud al-Faisal, the Saudi foreign minister, has flown to Damascus to urge President Hafez al-Assad of Syria to restrain his Iranian friends.

In the Gulf itself, the Iranian victory seems to be pulling Kuwait and the United Arab Emirates, both countries with large Shiite populations of Iranian origin, out of the Saudi orbit. Neither nation reportedly has been willing to join the Saudis in an armed alliance against the Iranians.

Iran's oil minister boasted in a recent interview that Saudi Arabia's "pretensions to power and influence in the Persian Gulf will fade very quickly."

Maybe not so quickly, though, as Iran might think. Since the overthrow of the shah, the authorities in Iran have repeatedly threatened to export their revolution. It would seem the time has now come to find out if, indeed, that revolution is marketable.

If history is any guide, revolutions do not export well in the Middle East, which for all of its pan-Arabism or pan-Islamism remains at heart a region of tribal societies not given to surrendering their individual identities to distant powers.

Also, the turmoil and economic disaster in Iran is hardly something the Gulf Arabs would care to import.

Outside the center of town, automobiles will be allowed on an odd-even license number basis in June, a government announcement said Tuesday. In July and August the outlying restrictions will be lifted, but a 30-percent cut in factory production will be mandated.

Last month the government ordered an experimental ban on private cars and a factory production cutback.

Chaos, Corruption Plague Uganda

(Continued from Page 1)

strongest supporters say he probably does not want to know, or maybe he has been told by Mr. Mwangi and others that attacks carried out by two guerrilla groups justify the harsh measures.

Mr. Obote's primary concern these days, along with the problem of avoiding assassination, is with the economy, and with a fresh philosophy for rebuilding it. He was a Socialist when he was exiled by Idi Amin's coup in 1971. From then until Marshall Amin was driven from the country in 1979, Mr. Obote lived in Tanzania, in close proximity to his mentor, Julius K. Nyerere, that nation's president.

"Obote has had nine years to reflect on African Socialism," said Nathan Epenu, an assistant in Uganda's Ministry of Information. "He learned from his experience in Tanzania that it cannot work. You cannot nationalize poverty."

As an observer here put it, Uganda is interested these days in mingling with some Western cash.

The government recently gave a cocktail party on the patio of the Uganda Commercial Bank to honor the members of investigative teams from the World Bank and the International Monetary Fund.

They had been in the country for two weeks, trying to evaluate the state of the shilling, increased prices for farmers, diminished government control in the market — the usual run of World Bank and IMF loan conditions.

"Ladies and gentlemen," Mr. Obote's emissary, Ephraim Kamuntu, said over a microphone. Mr. Kamuntu is not really an ambassador, but used the title. Mr. Obote was not present although he is the minister of finance. The welcome was familiar, jocular.

Iran Victory Shakes Gulf

(Continued from Page 1)

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Last month the government ordered an experimental ban on private cars and a factory production cutback.

Chaos, Corruption Plague Uganda

(Continued from Page 1)

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Mr. Obote's primary concern these days, along with the problem of avoiding assassination, is with the economy, and with a fresh philosophy for rebuilding it. He was a Socialist when he was exiled by Idi Amin's coup in 1971. From then until Marshall Amin was driven from the country in 1979, Mr. Obote lived in Tanzania, in close proximity to his mentor, Julius K. Nyerere, that nation's president.

"Obote has had nine years to reflect on African Socialism," said Nathan Epenu, an assistant in Uganda's Ministry of Information. "He learned from his experience in Tanzania that it cannot work. You cannot nationalize poverty."

As an observer here put it, Uganda is interested these days in mingling with some Western cash.

The government recently gave a cocktail party on the patio of the Uganda Commercial Bank to honor the members of investigative teams from the World Bank and the International Monetary Fund.

They had been in the country for two weeks, trying to evaluate the state of the shilling, increased prices for farmers, diminished government control in the market — the usual run of World Bank and IMF loan conditions.

"Ladies and gentlemen," Mr. Obote's emissary, Ephraim Kamuntu, said over a microphone. Mr. Kamuntu is not really an ambassador, but used the title. Mr. Obote was not present although he is the minister of finance. The welcome was familiar, jocular.

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There are other ways to save money.

Save with a shortie. In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. And you pay for the callback from the States

with dollars, not local currency, when you get your next home or office phone bill.

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Save nights & weekends. Always check to see whether the country you're in has lower rates at night and on weekends. Usually the savings are considerable. Now you'll get more mileage for your money.

U.S. High Court Expands Extent Of Car Searches

United Press International

WASHINGTON — The Supreme Court has expanded the power of police to search items in automobiles, ruling 6 to 3 Tuesday that any container in a car, from a paper bag to a suitcase, is liable to inspection without a warrant when police have "probable cause" to believe there is contraband in the vehicle.

The ruling was a sharp reversal from a badly split decision by the justices last year that gave more weight to the privacy rights of car owners by severely curbing what police could search in a car trunk without a warrant.

The turnabout was due in part to the court's newest member, Sandra Day O'Connor, who voted in favor of giving police broader authority in search-and-seizure situations.

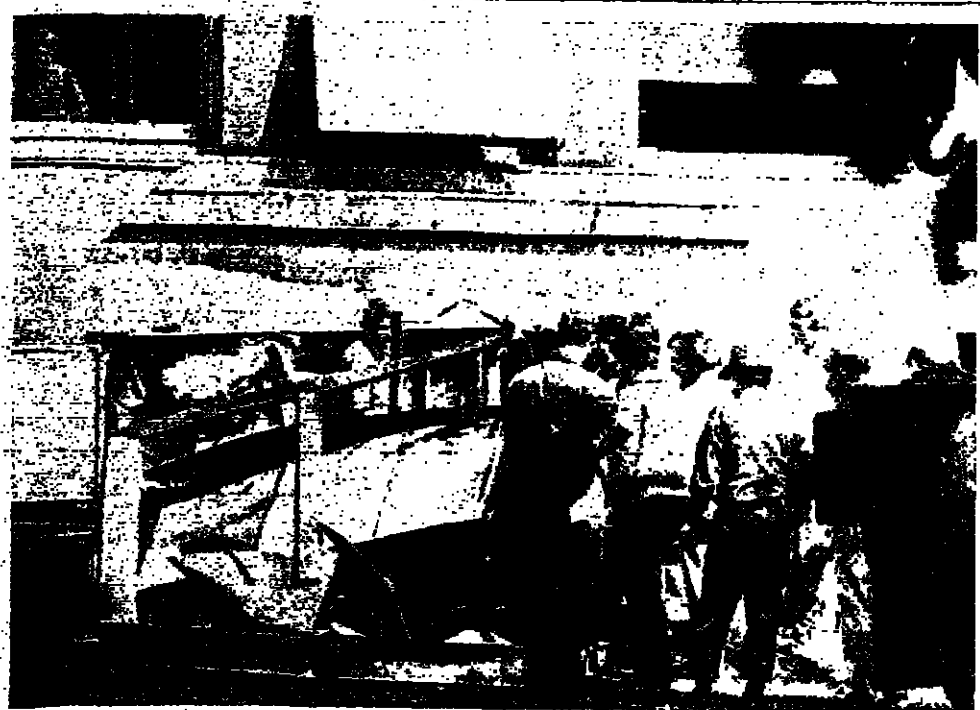
"If probable cause justifies the search of a lawfully stopped vehicle," Justice John Paul Stevens wrote for the court, "it justifies the search of every part of the vehicle and its contents that may conceal the object of the search."

Dissenting were Justices Byron R. White, William J. Brennan Jr. and Thurgood Marshall.

Rains Flood Coast of China

The Associated Press

HONG KONG — Torrential rains, which killed at least 25 persons in Hong Kong, also hit coastal areas of China's Guangdong province, inundating large areas of farmland, Canton radio reported Monday.



U.S. INSTALLATIONS BOMBED — Urban guerrillas associated with the Red Army Faction claimed responsibility for bombings early Tuesday at the headquarters of the U.S. 5th Army Corps, above, and two officers' clubs, all in the Frankfurt area; and at an officers' club in Bamberg. Bombs also went off in Düsseldorf at offices of the U.S. computer companies IBM and Control Data. President Reagan is due to visit West Germany next week.

With Clark's Help, Reagan Seems To Improve Grip on Foreign Issues

By Steven R. Weisman

New York Times Service

WASHINGTON — In between horseback riding and clearing brush at his Santa Barbara ranch last week, President Reagan pored over a fat briefing book on the conference of leaders of the big industrial democracies that he will attend this week in Versailles. Before leaving Wednesday for Europe, he will have studied five more briefing books on issues and personalities he will encounter.

All presidents study briefing books before foreign trips, but they are of special importance for Mr. Reagan because he continues to appear less versed — and perhaps less interested — in foreign policy than any president in recent memory. Indeed, William F. Clark, the national security adviser, acknowledged recently that Mr. Reagan's experience as a former California governor "clearly lies in domestic and economic policy."

But in the last few months, Mr. Reagan has been addressing foreign policy issues more systematically. With the help of Mr. Clark, he has eased the friction between Secretary of State Alexander M. Haig Jr. and Defense Secretary Casper W. Weinberger, overruling both on occasion.

In his Eureka College speech last May 9 he advanced a proposal for nuclear weapons reductions that even administration critics found reasonable. While remaining aloof from day-to-day developments in the Falklands war, he first articulated neutrality between Argentina and Britain, later shifting to support for Britain that is tempered by frequently expressed hopes for eventual restoration of friendship with the Argentines.

And this month, Mr. Reagan signed a sweeping national security directive establishing priorities in case of global conflict with the Russians. Aides say Mr. Reagan still spends about a third of his time on foreign policy — not much more than last year. But White House officials assert that he is more familiar with the issues and that Mr. Clark has improved the organization of the material, so that his time is better spent now.

Yet all is far from perfect, officials concede. One senior presidential appointee was seen wincing when Mr. Reagan joked at a recent dinner that the administration's policy on nuclear war was to "install smoke detectors at the White House. His aides agree that he has yet to handle himself with complete confidence in public.

"He feels he has to be more cautious, restrained and controlled when he talks about foreign policy," said a senior staff member. Mr. Reagan's off-hand comment last fall about the possibilities of a limited nuclear exchange in Europe touched off a furor overseas that forced him on the defensive for days.

The president has learned to pay attention to public sentiment on arms control. In Europe, he is expected to reiterate his willingness

Salvadoran Elections Fail to Stem Violence

By Raymond Bonner

New York Times Service

SAN SALVADOR — The four bodies lay in the craggy crevice, among the tropical vines, shattered glass and other debris. They apparently had been thrown from a ledge about 100 feet above.

One man in green work pants, shirtless and shoeless, had come to rest facing up. Below him, two bodies were entwined. The fourth had been decapitated. His skin had been peeled, exposing his rib cage. All appeared to be in their 20s.

Nearby, tangled in the trees, were two other bodies whose state of decomposition indicated they had been earlier victims. Seven skulls were found in the surrounding thicket.

"I thought the elections were supposed to end all this violence, to allow for political differences and stop the killing of everyone just because he has a different political view," said a Salvadoran leader who asked not to be identified.

Comments by peasants, businessmen and politicians indicate that there has been a surge in the violence since the March elections. Twelve Christian Democratic Party officials and activists reportedly have been murdered since May 12.

And the country's second largest newspaper, El Diario de Hoy, carried an account last week of 18 persons assassinated on one day in small cities near the capital. Six peasants, whose ages ranged from 19 to 30, had been dragged from their homes during the night, then taken to El Playon, where they were beheaded, according to the newspaper account.

El Playon is a moonshape of lava rock bisected by a road patrolled by the army. Among the rotting garbage a journalist last week found 17 sun-bleached skulls and heaps of other human bones.

El Salvador's tourist agency tells visitors that the gully where the four men were found is the Devil's Door, a name taken from the rock formations. People can be seen there on any given day searching for missing relatives.

The Devil's Door has been a

traditional dumping site for this country's rightist death squads. A government official said the recent murders appeared to be characteristic of the killings of the right and the security forces.

In the past three weeks, four Christian Democratic mayors and seven election-day poll watchers have been murdered.

New Mayor Killed

According to witnesses, one mayor was assassinated by a sergeant in the Civil Guard, a rural military force commanded by the Defense Ministry.

Last Friday, two hours after being appointed mayor of San Francisco Chinameca, Evangelina

Garcia de Lopez was killed in her kitchen along with her 18-year-old daughter by a group of 11 men.

Human rights groups here have long accused the government security forces of complicity in the vast majority of the assassinations. Reagan administration officials and Salvadoran politicians, including Christian Democrats, have countered that the human rights organizations were biased toward the left.

But in a full-page statement published last week, the Christian Democrats said the assassinations "are linked to the military authorities."

In the past two and a half years, about 34,000 civilians have been killed in El Salvador.

The dead, over half of whom are peasants and workers, were not killed in battle, but in the same way as were the victims at the Devil's Door: taken from their homes, tortured, shot, then dumped.

Before the elections, many Salvadoran political leaders and some American diplomats had expressed the fear that there would be an increase in the violence if the rightists emerged victorious, which they did.

The Christian Democrats have not accused the rightist leaders of being directly responsible for the recent violence. But they say the rightists' verbal attacks have created an atmosphere that encourages the violence.

Colombia May Ease Security Laws

The Associated Press

BOGOTA — President-elect Belisario Betancur has promised to lift the tough security laws, aimed at combating leftist guerrillas, that gave the army authority to arrest, try and imprison civilians.

Mr. Betancur, 59, the Conservative Party nominee defeated Alfonso López Michelsen of the Liberal Party, a former president, by a wide margin in Sunday's election. Mr. Betancur also said Monday that he would work toward offering a general amnesty to five leftist guerrilla groups.

Commenting on his foreign policies, he said his administration would not restore diplomatic relations with Cuba. He also said he would oppose any effort to expel the United States from the Organization of American States because of its support of Britain in its war with Argentina over the Falkland Islands.

Colombia suspended diplomatic relations with Cuba last year, accusing President Fidel Castro's government of training Colombian guerrillas.

"The aggressive declaration by the Cuban ambassador upon leaving our country, to the effect that Fidel Castro felt the obligation to help Latin American guerrillas,

tells us that it would not be wise to renew relations with Cuba, and I won't do it," Mr. Betancur said.

He did not state his backing of either Argentina or Britain in their conflict, but said the OAS "has lost all respectability and has become a club of friends."

Mr. Betancur said, however, that U.S. relations with Latin America have been badly damaged because of its pro-British stand over the Falklands, and it may be a very long time before they can be repaired.

The new president will be installed Aug. 7 for a four-year term, succeeding President Julio César Turbay Ayala of the Liberal Party who was banned by the constitution from seeking a second consecutive term.

Colombia's security decrees and amnesty for the guerrillas were major campaign issues.

The Conservative victory is the first in a presidential election against the Liberals since the nation was plunged into interparty warfare three decades ago. More than 200,000 people have been killed in the civil strife.

In an attempt to restore peace, the two parties agreed to alternate the presidency for four-year terms

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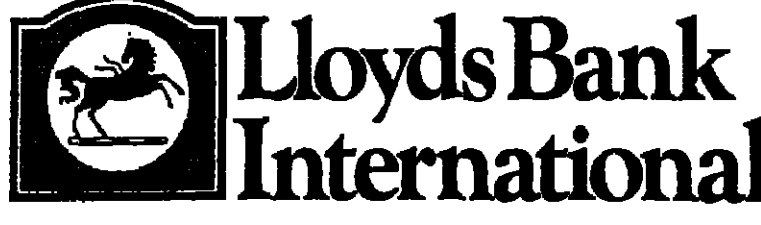
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Japanese Anti-Nuclear Activists Denied U.S. Visas for UN Session

By Robin Herman

New York Times Service

NEW YORK — The State Department has denied visas to about 300 Japanese citizens who were planning to attend the UN special session on disarmament June 7 and a rally in support of that session, a State Department official has said.

They are among thousands of foreign visitors planning to come to New York for disarmament activities this month.

The official, who asked not to be identified, said Monday that the visas were denied Friday under the 1952 McCarran-Walter Act, which permits the government to exclude members of proscribed organizations. It was aimed primarily at Communist groups.

The Japanese, who applied May 15 through the Kinki Nippon Tourist travel agency in Tokyo, are mostly members of Japan's two largest anti-nuclear organizations, but they also include a journalists' association, a delegation of scientists, some union members and members of an organization of survivors of the atomic bombings of World War II.

Nearly 1,000 other members of the Japanese anti-nuclear groups who sought visas separately received them, according to disarmament coordinators in New York.

The McCarran-Walter Act is used against thousands of applicants each year, but the American Civil Liberties Union has taken issue with the denial of the groups. "The consulate could not conceivably have made any scrutiny on a case-by-case basis," said Ira Glasser, executive director of the ACLU.

The visa denials have been forwarded to the U.S. attorney general in a routine procedure, according to the State Department. In most cases, a waiver is granted, but the long process seems likely to force the cancellation of the Japanese charter flight, which was to leave Thursday night.

If a waiver is not granted immediately, the ACLU plans to file a lawsuit, Mr. Glasser said.

"We regard what has apparently happened as outrageous and offensive to the First Amendment," he said. "These people seem to have been excluded on the basis of their association with an organization in Japan that advocates against the use of nuclear weapons and, as near as we can tell, for that reason alone have been denied visas. We don't believe that the McCarran Act applies to that situation. It has been an abuse of discretion by local American consulate officials in Japan."

According to reports on Japanese television, representatives of the groups denied visas complained over the weekend to the Japanese Foreign Ministry. Japanese press accounts estimated that 300 visas had been denied.

William Moore, the press attaché for the U.S. Embassy in Tokyo, said Monday, "My understanding is the real factor in certain applications not being acted on was the lateness factor. Some of these people did not get their applications in until very late in the game."

Alabama City Rotary Club Keeps Rule Barring Nonwhite Members

By Reginald Stuart

New York Times Service

BIRMINGHAM, Ala. — Just as this predominantly black steel-making city was shedding its historic image as a haven for racism and becoming known as a center of Southern progress, the trend has been betrayed by a local service club.

The Rotary Club of Birmingham, whose membership of about 340 includes many of the most powerful men in the state, voted this month to retain a rule restricting membership to white men. It is one of only a few of the 19,600 Rotary clubs in the nation with such a policy.

The 120-to-90 vote prompted several resignations. The Birmingham News, one of the city's two daily newspapers, lambasted the Rotary Club for its action. And the board of directors of Rotary International, meeting last week in Boca Raton, Fla., voted unanimously to ask the Birmingham club to reconsider its decision.

"Rotary stands for brotherhood and the betterment of mankind, but how can we do that when we can't sit down and have lunch with them?" asked Angus McEachran,

42, the editor of The Birmingham Post-Herald. "This is the leadership of the community."

The Rotary membership at the time of the vote included the chairman of Southern Natural Resources, a gas utility; the president of the Alabama Power Co.; the president of the Coca-Cola bottling franchise; the head of the Merrill Lynch Pierce Fenner & Smith brokerage office; the superintendent of public schools; the president of Samford University; a former president of Rotary International; the state's lieutenant governor, and the rector of the Episcopal Church of the Advent.

Mr. McEachran began lobbying for a change in the membership restrictions shortly after he was inducted into Rotary in 1978. The group's board of directors unanimously rejected his proposal twice, however, and the most recent rejection prompted Mr. McEachran to appeal to the full membership.

Many Rotarians fought vigorously against his call for a full membership vote. Eight past presidents of the Birmingham Rotary Club wrote a joint letter to members May 10, urging them to sup-

port the actions of the club's board of directors.

The letter closed by declaring, "The fact that it is even coming before the entire membership is not only damaging to our club, but also to our community."

Mr. McEachran and several others, including U.S. District Judge J. Foy Guin, resigned after the vote on May 12, although only Mr. McEachran made clear his reason for withdrawing membership.

Many Rotarians refused to discuss the club's vote. Several, such as Lt. Gov. George D.H. McMillan Jr., who is running for the Democratic nomination for governor this year, and Wilmer S. Cody, superintendent of public schools, expressed disappointment at the vote but said they would not resign until they could determine that the matter would not be reconsidered.

Outside the club's ranks, other Birminghamians were trying to put the effect of the organization's decision into focus.

"It's evidence that we still have some problems in Birmingham with respect to people who are different from one another," said Louis Willie, executive vice president of the Booker T. Washington Insurance Co.

Herald Tribune

Published With The New York Times and The Washington Post

Recalling Afghanistan

The world's attention span has been reckoned at 90 days, which, unhappily, is probably right. Afghanistan has all but slipped from sight. It is nine times 90 days since the Soviet Union flung its armies at an unaligned and unoffending neighbor. But still the war goes on. The Russians, incredibly, are no nearer victory than at the start, when experts blandly forecast that their modern army would subdue primitive tribesmen in months. It is bigger news than a bored world realizes.

The Soviet Union has but one short-term advantage: It can conceal from sight its humiliation. There are no free correspondents milling around in Kabul, as in San Salvador, and no casualty lists are published in Pravda. President Brezhnev can unroll the wearisome clichés about British imperialism in the Falklands without fear of being mocked by a Soviet Russell Baker.

No one publicly described the Afghan capital on May 1 when it was torn by explosions. Who is there to record what is most conspicuously absent from Kabul — young men of draft age? Potential conscripts fled to the hills long ago to avoid being pressed into the sad rabble known as the Afghan Army, whose main achievement has been to provide arms and recruits to the resistance.

Tourism has ceased in Afghanistan, so no one can refute the claims of a "pacified" countryside. There is every reason to believe that the allegedly primitive rebels control everything outside the main cities and highways, that they are expert at bagging Soviet tanks and that they are forcing the

bailed occupiers to rely more than ever on Hind helicopters, the big and murderous gunships that have become the brutal emblems of ungallant war.

Nor can journalists report how the battle is being pressed closer to Pakistan, whose camps are overflowing with more than 1.5 million refugees. In one of the world's largest recent population flights, a further 400,000 have moved to Iran. That, too, has slipped from the world's attention. Few realize that Afghans, not Palestinians, comprise the most numerous body of Islamic refugees.

Manifestly, after 30 months, the Soviet colonization of Afghanistan has been a spectacular failure. The people of that traditionalist country are intractably hostile to communism; indeed, Moscow has failed even to curb the furious factionalism within the Afghan Communist Party. The leaders of the Kabul regime are rightly despised as quislings by the nonaligned nations.

Some Soviet diplomats admit privately that the occupation of Afghanistan was a blunder. They also concede that the local party in Kabul is a disaster and that Afghanistan will not really be pacified until its government has a broader base. But it may take a change of leadership in Moscow before Soviet policy can admit the error.

When the mess can be blamed on men no longer in power, military and diplomatic retreat may finally be possible. Meanwhile, Afghanistan bleeds, its pain neglected, as the world's attention moves on.

THE NEW YORK TIMES.

War to the Bitter End?

The pitch of battle in the Falklands lends scant encouragement to the idea that the war on the islands may stop short of total victory for the British and total defeat for the Argentines. Prime Minister Thatcher shows not the slightest readiness to stand up to her public and say that the long-term British interest would be better served by a negotiated settlement that gave the Argentines at least a slight opportunity to retrieve some pride. Whether she even believes it is a question.

In Argentina, it apparently has become impossible for any faction to suggest backing down in the face of superior British military prowess, lest it be accused of treason by the others. The Argentines are convincing themselves with the rationalization that they were not so much bested in a battle they stupidly brought upon themselves as they were tricked by a vast international conspiracy that no one will blame them for not defeating. So the fighting, and the dying, will go on.

But must the United States stand by silently while the British mop up, at no small additional cost to themselves, the Argentine defenders of Port Stanley? It is a notable feature of this war that, even as they appear to be winning, the British are increasingly fear-

ful that they are not being properly appreciated either for their sacrifices or for the universal validity of the principles in whose name they are fighting. But it is also notable that the British have seemed surprisingly indifferent to the costs they expect their friends to bear. We have in mind especially the escalating diplomatic costs the United States is bearing in Latin America as a result of abandoning the relatively safe position of peacemaker and supporting Britain against Argentine aggression.

If this consideration does not weigh heavily on London at the moment, cannot the British see that they are going to need the Latins themselves? Who else is available to help provide the interim administration that is the only alternative to the reimposition of Britain's imperial sway, which is surely out of the question? The nearer the British get to victory, in short, the more they need to shape a position that allows Latin nations to find roles in a permanent solution. Unquestionably, this includes Argentina. The United States cannot be expected to neglect its own interests in the hemisphere after the military campaign ends.

THE WASHINGTON POST.

Other Editorial Opinion

'Yellow Rain' in Southeast Asia

Except on the fringes of opinion, no informed American any longer doubts that Soviet-supplied armies are using "yellow rain" in Southeast Asia, nor that the gases contain toxins outlawed by the 1972 biological weapons convention. Yet the U.S. government has yet to file formal charges that the Soviets and their proxies have violated the treaty. Instead, President Reagan will tour Europe stressing his willingness to reach new arms agreements with the Soviets.

—From The Wall Street Journal.

Syria vs. the Gulf Council

[Some Arabs] forget all about Arab unity when Lebanon and the Palestinians are at-

tacked by Israel, and call for unity when Iraq is waging war against Iran. Inter-Arab trade is not even 5 percent of trade between the Arabs and Europe or America. The notion of Arab coordination is nothing but a sham.

—From Al-Ba'ath (Damascus).

Mayor Koch and Actress Loren

[New York's Mayor Edward Koch is a politician who] walks out of a Chinese restaurant to enter a Polish church, inaugurates an Irish school, waves a Korean flag and drinks German beer. Now he invokes liberty for no one less than Sophia Loren. We don't know if this move will win him more votes or more dislike. But we seem to remember that the Americans are not soft with their tax evaders.

—From Paese Sera (Rome).

LETTERS TO THE EDITOR

West New Guinea

John G. Stoessinger's article about United Nations forces (IHT, May 26) is misleadingly inaccurate about West New Guinea. The United Nations did not administer it "while the issue of sovereignty was being worked out" — the issue had already been decided. And there was no plebiscite in May, 1963, or at any other time.

Nobody, he says, has heard of the place since 1963. Nobody at Hunter College, maybe. Nobody in the UN Political Affairs Division, which Mr. Stoessinger headed from 1967 to 1974? Did nobody there notice the General Assembly debate in 1969 — a year when there was more fighting in West New Guinea than usual, and when many of its people fled to the eastern half of the island?

For West New Guinea to serve as "a striking analogy" for the Falklands problem, the whole record would have to be falsified.

Argentine Afrikaners

The case for a UN role in the Falklands is a strong one. It does not need to be propped up with falsifications.

London. ANDREW BOYD.

Comodorenses who, despite their Argentine nationality, speak Afrikaans, cling to their Protestant faith and still hate the British.

Paris. MARILYN TOMLINS.

Banks and Industry

Regarding "Lebanese Banks Flourish Amid Chaos and Civil Strife" (IHT, May 18): Banks thrive while all over the world industry struggles, often teetering on the verge of bankruptcy. The thriving of banks and the struggling of industry are two faces of the same medal.

Milan. PIETRO MANES.

As You Like It

I found "Impotence: Treating Physical Causes" (IHT, May 26) interesting and enlightening, but am curious about its place on the Arts/Literature page. Under which heading does the article qualify?

Geneva. BERT CANTOR.

A Different Kind of Aid Recipient

By Frances Moore Lappe and Nick Allen

SAN FRANCISCO — The economics of Central America, designed to serve the rich, have failed to meet the needs of the poor majority. This is the core of the crisis there. Can foreign aid help, or does it merely exacerbate the crisis, strengthening the economic and political structures that have kept Central Americans poor and hungry for so long?

We studied a Guatemalan agribusiness project that is the type of U.S. government-subsidized "free enterprise" venture that the Reagan administration favors.

In 1975, Alcosa, a Guatemalan subsidiary of Hanover Brands, based in the United States, began contracting with peasants to grow cauliflower and broccoli, which were processed and shipped frozen to North American supermarkets.

Alcosa is partly financed by the Latin American Agribusiness Development Corp., a consortium of big banks and agribusiness firms supported by the Agency for International Development.

An AID study, "The Social Impact of Agribusiness," provides evidence of the damage caused by a U.S.-supported agribusiness project inserted into a repressive, oligarchical society such as Guatemala's, the study says, recorded poor highland farmers who gave up their corn, bean and cabbage patches to specialize in cauliflower. While at first their income increased, by 1980 many farmers were suffering substantial losses.

They were able to survive only by going heavily into debt to Alcosa for hybrid seeds and insecticides and to itinerant merchants for other goods. Alcosa loans were interest-free, but it "paid itself first, even if that meant... three months of no-income farming."

When Alcosa stopped buying

vegetables in a village, the farmers protested that "there was nothing to eat." The study went on. Children had to "quit school and leave home to seek work as farm labor or domestic servants."

Alcosa often chose as its managers Ladinos, a privileged ethnic minority in the highlands, thus "reinforcing the existing inequality," the study said. Why didn't the peasants fight more vigorously to protect their interests? The study says they knew that "informal leaders of peasant groups were being gunned down daily in other parts of the country."

Defenders of such projects point to the increased incomes of some farmers and the relatively good wages and working conditions at the Alcosa packing plant. But projects like Alcosa do not get to the heart of the problem: the political and economic powerlessness of poor majorities. Moreover, such projects further infect the roots of the social crisis by strengthening the position of local elites.

In one village out of 17, the Alcosa project did succeed both for the company and the farmers. What made the difference was a strong peasant cooperative that had enough clout to negotiate a better contract with the company. Since the co-op had its own agronomists, farmers did not have to rely on Alcosa's advice.

The agronomists said: Use smaller doses of cheaper insecticides and intersperse corn with cauliflower. Thus, the farmers did not have to give up their staple food crop. The AID report said: "The cooperative exists to serve the needs of its members, not the requirements of a Guatemala corporation or its corporate owners in the United States."

In the last two years, Guatemalan security forces' repression of this type of peasant initiative has accelerated, resulting in the destruction of peasant co-ops and other self-help efforts and the assassination of hundreds of their participants. Two peasant organizations we met in 1978 have disappeared; one was forced underground, the other killed, for the "crime" of teaching neighbors better farming techniques.

While many Westerners rightly oppose military aid to such repressive governments, they find economic aid acceptable. When will we learn that, rather than a differ-

ent kind of aid, what is needed is a different kind of recipient? As long as recipients of aid in Central America and elsewhere are governments protecting economic and political structures that deny power to most citizens, that aid — military or economic — will not only fail to end hunger and poverty but rather will aggravate inequalities at their core.

Frances Moore Lappe, author of "Food First: Beyond the Myth of Scarcity" and "Diet for a Small Planet," is co-founder of the Institute for Food and Development Policy. Nick Allen is a researcher there. This comment was contributed to The New York Times.



An Independent Commission and Its Report

By Jonathan Power

The writer was editorial adviser to the Independent Commission on Disarmament and Security Issues during the preparation of its report, which was made public this week.

LONDON — Philip Noel-Baker, the 1959 Nobel Peace Prize winner, first sounded the idea of an independent initiative to break through the storm clouds that were rising at the end of the 1970s.

The fund never saw the light of day, but in its place was created, under the chairmanship of former Swedish Premier Olof Palme, the Independent Commission on Disarmament and Security Issues. Modeled on the Brandt Commission, which had produced a report on the North-South economic crisis in early 1980, it began its work later that year.

Like the Brandt group, its membership was drawn from both the industrialized and the developing worlds. Unlike the Brandt group, it had a Soviet representative. Regrettably, and this will perhaps be seen as a weakness, there was no representation from the right of the U.S. political spectrum. Nor was there a representative from China.

Still, this is the first time that senior political figures from the two superpowers and the industrialized world and the Third World have fashioned at length a common analysis of the origins, the nature and the likely future of the worldwide buildup in weaponry, both nuclear and conventional.

The commission presents, too, a unanimous set of proposals on how to diminish the arms race, embracing strategic and "theater" nuclear weapons, conventional armaments, Third World conflict and regional security.

One can only guess what exactly was in Palme's mind when he asked Cyrus Vance, David Owen, Georgi Arbatov, Olof Palme, Shridath Ramphal, Grom Harlam Brundland and 10 others to join him in this venture. He is one of those politicians who play their cards close to the chest.

Subtle, adept and rather ruthless at political maneuver, he may have hoped to produce a document that would be essentially uncontested, a challenge to the superpowers at a distance from Europe, and perhaps hoping that if there was a clear call for a nuclear-free Europe, the idea would become con-

gious, affecting the peace movements in the United States and Eastern Europe and convincing the Third World that the nuclear nonproliferation treaty, with its explicit bargain of progress between the nuclear-haves-nots, could regain its moral and political authority. The Promethean fire could be contained, first in Europe and then by example around the globe.

Yet in the end, Palme and his close ally Egon Bahr, who was Brandt's negotiator of the Ostpolitik treaties, were unable to convince the others that a European nuclear-free zone was an acceptable proposition.

At least three counter-currents were at work. First, there was the awareness of the commission members that they could easily — and maybe not too inaccurately, given their lopsided representation — be caricatured as a clique of the Socialist International and dismissed by much of U.S. opinion.

Second, there was the awareness in a group of veteran politicians, many of whom had experienced at first hand the great hopes and bitter disappointments of the Carter era, that it is no use pushing forward with a cause if a broad constituency is not behind you. Investing one's best years in negotiating SALT-2 only to see its horse fall at the last fence was sobered not just by Vance and his friend, David Owen, but the Third World representatives on the commission as well.

Third was the fact that Georgi Arbatov, a senior Brezhnev adviser on foreign affairs, was a member of the commission. Its Westerners might be out of office but Arbatov was not, and he had to clear what he was going to put his name to at the highest level.

If Arbatov was on a tight rein, then self-discipline had to work to put the Westerners on a tight rein. It was not their job to give Moscow propaganda opportunities. A McGeorge Bundy-type essay on the dangers of Pershing-2 deployment or a Robert

McNamara-type critique of "first-use" of NATO's nuclear weapons could have been expected in deadly fashion.

The danger in this situation was that the commission's report would end up mealy-mouthed and inconsequential. It is not. Two of its proposals alone were worth the days and nights of turgid meetings. One, on a battlefield nuclear weapons-free zone in Europe, and a second, on strengthening the collective security procedures of the United Nations, could work to calm critical points of tension. At the same time, they have the virtue of being eminently reasonable not just to worldly-wise negotiators but also to small-town voters in Oklahoma or military staff officers in Buenos Aires or Moscow.

At the commission's final meeting in April, it looked until the last moment as if the Russians might not sign these two proposals. The first they considered inconsequential compared with the need for limitations on strategic and medium-range missiles. The second demanded of them agreement to a "concordat" among the permanent members of the Security Council that would allow a combination of anticipatory, preventive and enforcement peacekeeping operations to go forward, insulated from the use of the veto.

The Russians did sign. The report is unanimous. It is a document that, while not setting the Potomac or the Moscow River on fire, will provide a handbook that ordinary mortals can read and understand, pointing toward ways of controlling, diminishing and outlawing the world's overabundance of weapons of war and propensity for conflict.

All commissions have their low points and high days. The former are better overlooked. Not to be forgotten, however, was Olof Palme's observation as we stood in the museum at Hiroshima just before Christmas. We had been shown the stone steps which, at the moment of explosion of the first nuclear bomb used in war, had had engraved into them the shadow of the man who had been sitting there. "One wonders," Palme said, "whether this will be the fate of the entire human race if this madness of the arms race continues — to be no more than a human shadow imprinted on a stone step."

Versailles: Just a Lavish Puppet Show at a Royal Museum?

By Don Cook

PARIS — In the seven years since annual summit meetings began at the initiative of French President Valéry Giscard d'Estaing, the results have always seemed to fall short of the buildup. The level of usefulness has gone down as the cost of the meetings has gone up.

Next weekend's meeting in Versailles of the French, U.S., British, West German, Italian, Canadian and Canadian heads of government will be by far the most grandiose and pretentious yet held in terms of setting, physical opulence, arrangements and expense. (Some 500 U.S. government employees will accompany President and Mrs. Reagan to Paris, with almost as many press representatives.)

When Giscard d'Estaing set about organizing the first meeting in 1975, he had a rather simple, even naive idea that it would be a good thing for heads of government simply to get together for a weekend of quiet, reflective, intimate conversation — informal and unstructured, more a "meeting of minds" than any big decision-making effort.

Giscard d'Estaing staged that first meeting at the Chateau de Rambouillet, the country residence of French presidents about 40 miles west of Paris. This is a modest little place as French châteaux go, but one that was big enough to provide then-President Ford and each of the other leaders with a two-bedroom suite.

In those days, the big topics at issue dealt with what the United States was going to do about holding down the price of gold and stabilizing the dollar on world currency markets. Seven years later these are still prime subjects.

Giscard d'Estaing had confidence in his ability to outtalk and outargue anybody in the world on economic matters. A cozy little gathering of presidents and prime ministers around the fireside at Rambouillet was his idea of a proper setting to display his intel-

lectual powers. It was not the kind of conversational setting in which President Ford was apt to shine.

Yet a taste for summitry was born at Rambouillet. Ford liked the idea well enough to propose that he entertain his colleagues at a second meeting, conveniently timed for the 1976 presidential election campaign.

After Jimmy Carter was elected, he immediately named a special assistant with the sole function of preparing for summit meetings. Carter was a president who submerged himself in briefing papers, and his approach to summitry meant that the other heads of government more or less had to follow along his organizational lines.

Accordingly, the Giscard concept of a "free exchange of ideas and views" gave way to the Carter concept of a meeting carefully structured by six months of preparation. Indeed, one of the problems the other heads of government found with Carter at the four summits he attended was that you could have a "meeting of briefs" with him but no meeting of minds.

"He was incapable of letting himself go and telling you what he truly felt and thought, how he looked at things," a European participant has said. Jimmy Carter "couldn't, or at least he wouldn't, share ideas or open up, ever."

The summit trail led to London in 1977, Bonn in 1978, Tokyo in 1979, Venice in 1980 and Ottawa in 1981. At each step of the way the meetings have become more and more pre-packaged and organized, less spontaneous and more sterile in atmosphere and results.

The heads of government look like performers in a lavish puppet show, passing regularly before the television cameras as they get in and out of limousines, go in and out of meetings, sit down to dinner or gather in some garden for photographs. At the end, they al-

ways sit on a platform together and each reads out a little homily on how happy he or she has been to participate in such a useful exchange of views. Summit protocol does not permit any questions. Then they all depart, to begin preparing for the next year.

Versailles will certainly be a feast for color television, even if it fails to produce much news. But when it is all over there will be the same mutterings from the officials who do the preparatory work: Why go on with these summits? What can they ever accomplish? What purpose do they serve?

The short answer is that the heads of government like summit meetings. They like playing host to their peers, trying to outdo one another in hospitality and arrangements, and being in the television spotlight for their citizen-voters and the rest of the world.

President Francois Mitterrand will put on the eighth in this series in the biggest and most lavish royal-palace-museum in the world. To get ready for it, he has had bilateral meetings with every other participating head of government.

A certain political tension has been building up between Mitterrand, who naturally thinks that

this is his summit conference, and the Reagan White House, which is doing all it can to place Reagan at the center of the stage on his first major overseas trip as president.

As a summit performer, Reagan has the drawbacks of Ford and Carter. He is not at home in any freewheeling exchange on world problems, particularly economic problems, and he wants to stick to prepared briefs and not have to deal with surprises.

Unfortunately, no amount of preparatory work can gloss over the fact that the basic agenda of this 1982 meeting is a whole wastebasket full of unresolved problems, many of which have been going on for seven years or longer.

The U.S. attitude toward the value of the dollar and intervention in exchange markets is the oldest argument on the summit table. With it this time is another argument, one that dominated the Ottawa discussions — high American interest rates. Then there is the argument, also featured at Ottawa, about shaping a more positive policy toward the Third World.

In Ottawa the Americans pressed for a review of the list of restricted strategic exports to the Soviet Union; at Versailles they

will be pressing for a sharp tightening of credits for the East bloc.

Europeans, Americans and Japanese are a long way from harmony on what specifically should be the focal problems in a new round of international trade negotiations due to start later in the year.

The Reagan team would like to see minimal discussion of well-prepared briefs and maximum agreement on a communiqué drafted and circulated several weeks ago. Mitterrand, rather wistfully, would like everybody to put aside the briefs at some point and join him in a philosophical conversation about the state of the world — about Western values, so to speak, instead of Western credits for the Soviet Union. And Prime Minister Margaret Thatcher's war in the South Atlantic will have everybody preoccupied. Also, it is a pretty good bet that when they depart from Versailles, the U.S. dollar will be fluctuating as much as ever on the exchange markets and not have been talked down.

We can rest assured that, come what may, there will be another summit meeting next year, when it will be Reagan's turn to play host.

The writer is the Los Angeles Times' correspondent in Paris.

June 2: From Our Pages of 75 and 50 Years Ago

1907: Considering Suicide Rates

NEW YORK — Many newspapers have recently published statistics showing the increase in the number of suicides. The Utica Press comments: "Many consider suicide the expression and result of insanity. It is not unreasonable to say that anybody who would join a suicide club must be crazy in the first place or else have a very weak and wobbly mind. A person in fear of punishment for some heinous offense, or borne down by great grief, might be in such a state of mind that common sense would be too weak to prevail against unreason." The Albany Argus says: "It requires more energy for a man to succeed today than 30 years ago; the competition is keener, the race is swifter, the life is faster."

1932: Balancing the U.S. Budget

WASHINGTON — Twelve hours after President Hoover had made an imperative personal appeal for action, the Senate passed a \$1,200 million revenue bill to balance the budget for the fiscal year of 1932-33 and put at rest the uneasiness of the nation over the government's fiscal affairs. Only by heroic measures, which included an increase in income taxes in some instances as high as 150 percent, and the contemplated slashing of salaries of federal employees by 10 percent for those earning \$2,500 or less, did the Senate rise to meet the president's demand that "democracy must show its ability to act" and "give ample proof to the world of its ability to meet its emergencies by any sacrifice."

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Pope Warmly Greeted In Scotland, but Visit Is Marred by Protests

GLASGOW — Pope John Paul II rode to the skirts of bagpipes into a rousing reception from at least a quarter of a million people at a Glasgow park Tuesday while about 50 Protestant militants outside chanted, "Anti-Christ!"

Police said that two buses taking children back from a meeting with the pope in Edinburgh earlier in the day were stoned and four children were cut by flying glass. Police also reported an arson attack on a railroad switch box near Glasgow, and said anti-pope slogans were painted at the scene.

But the reception at the park was the loudest and warmest so far during the pope's six-day tour of Britain, which concludes Wednesday with a visit to Wales.

'A Sign of Hope'

The Protestant militants were surrounded by about 500 police on duty and were told that they would be arrested if they went into the park. About 250 militants marched through Glasgow to protest the pope's visit.

The pope, who told the crowd that the will of Christians for church unity was "a sign of hope in a divided world," began the day in Edinburgh by meeting leaders of various Protestant churches.

He said such meetings were a sign that Christians were willing to work together "despite the sad history of division between Christ's followers."

But the pope's presence in Britain, and particularly his meetings with moderate Protestant leaders, has enraged some fundamentalists. Glasgow police surrounded the pope with some of the tightest security ever seen in the city.

"If there is violent reaction today, then we would consider equally guilty those who cynically and insensitively imposed this papal visit upon us," said Tommy Orr, the grand master of the Protestant Grand Orange Lodge in Scotland.

Paisley Demonstration

In Edinburgh, Rev. Ian Paisley, the militant Northern Irish Protestant leader, led a demonstration against the pope Monday night and 12 persons were arrested. In London, a magistrate ordered 14 men, including seven clergymen, who had demonstrated against the pope on the day of his arrival, to remain locked up until after his departure.

Religious bitterness, symbolized by regular clashes between supporters of Glasgow's rival soccer teams — the Catholic Celtic and the Protestant Rangers — put police on even higher alert than for a royal visit.

Outside Northern Ireland, the Catholic-Protestant divide runs deeper in Scotland than anywhere else in Britain — a relic of what the Right Rev. John McIntyre, moderator of the Church of Scotland, called a history "scarred with many occasions of religious conflict and controversy."

Mr. McIntyre made the remark in a formal welcoming ceremony for the pope at Presbyterian headquarters.

Papua New Guinea Weighs Action in Border Incidents

PORT MORESBY, Papua New Guinea — This country's leaders have interrupted the last days of their national election campaigning to plan a response to border incidents in which Indonesian troops allegedly crossed into Papua New Guinea in search of rebel bands.

Premier Sir Julius Chan, who is struggling to stave off defeat by former Premier Michael Somare in Saturday's polls, met with Defense Minister Gereg Pepera and senior military officers in a formal Monday to discuss border security.

The government claims that a small group of Indonesian troops had crossed into its territory four times in the past two weeks.

The government alleged they had questioned villagers on the whereabouts of Free Papua rebels who are waging guerrilla resistance to Indonesian control over Irian Jaya, as the western half of the island of New Guinea is known.

The Indonesians are allegedly searching for a group of Free Papua who raided a sawmill in Indonesian territory in October.



SPORTING LIFE — Prince Charles was cut on the lip by an opposing player's mallet during a polo match at Windsor, England. The prince returned to the field after first aid. He had scored a goal for his team, the Canadian Maple Leafs, but they lost to the local Eaglesfield team, 6½-5.

China Holds American, Probes Theft of Secrets

PEKING — An American has been detained by Chinese police for investigation of alleged theft of Chinese state secrets, a U.S. Embassy spokesman said Tuesday.

The spokesman said Lisa Wicher, 28, was detained Friday and is being held in the Peking area, but gave few details. The detention of Miss Wicher is believed to be the first of an American since diplomatic relations were established between China and the United States three years ago.

The Chinese Foreign Ministry confirmed that Miss Wicher had been detained, saying in a statement that she "violated Chinese laws by engaging in activities that are incompatible with her status." A spokesman would not specify the alleged illegal activities.

A U.S. Embassy statement said her detention "relates to the theft of state secrets. We are aware that this has a broader interpretation in Chinese society than it would have in our own." Virtually anything not published or announced by the Chinese government can be considered a state secret.

A Chinese economics journal editor recently was sentenced to five years in prison for revealing state secrets to a foreigner. He reportedly told a journalist the time, place and agenda of a Communist Party Central Committee meeting.

Miss Wicher is a graduate of the University of Denver in Colorado and a candidate in China for a doctoral degree in agricultural economics. Foreign sources who know her said she speaks Chinese and had a number of highly placed friends helping her with her research. They speculated she may have accumulated economic data the government regarded as sensitive or simply not for publication.

In the case of the Chinese editor and a similar one in which a Chinese citizen was jailed for 15 years, the foreigners involved were never punished, arrested nor even questioned by police. A knowledgeable Chinese source suggested that Miss Wicher was taken into custody in this case because it "would be unfair not to" if Chinese officials had been arrested.

Engaged to Chinese Man

Foreign sources also said Miss Wicher was engaged to Yi Xigong, a senior international economics student, whom she had asked government permission to marry. Although officially allowed, such marriages have been strongly discouraged. Li Shuang, a Chinese artist engaged to French diplomat Emmanuel Bellefroid was sentenced in 1981 to two years in a labor camp for living with him inside a diplomatic compound.

Police in Ulster Warn IRA Plans New Attacks

BELFAST — The IRA plans to carry out a new campaign of assassinations and bombings in Northern Ireland this week, Belfast police said Tuesday.

The police said they based the warning to politicians, judges, military personnel and other "eminent" people as well as the general public on "intelligence and information" it had received.

Lebanese Skeptical of U.S. Efforts in Mideast

BEIRUT — Foreign Minister Fuad Butros said Tuesday that the United States cannot ease Lebanon's crisis with makeshift proposals that avoid the Palestinian problem and exclude the Soviet Union.

Mr. Butros gave his views in an interview, as Philip C. Habib, President Reagan's special Middle East envoy, prepared for a trip through the Middle East to renew U.S. efforts to contain the Iranian-Iraqi war, revive the West Bank autonomy talks and halt the bloodshed that has reduced Lebanon to chaos.

Although he expressed satisfaction that Lebanon's problems were mentioned specifically last week in a speech in Chicago by Secretary of State Alexander M. Haig Jr., Mr. Butros stressed the deep skepticism that greeted Mr. Haig's pledge to intensify U.S. diplomacy. His willingness to speak out seemed designed to make sure Washington received word of his doubts.

Such doubts were increased by reports during the weekend that Mr. Habib would concentrate on trying to arrange a withdrawal of Palestinian artillery from the Israeli border, partial withdrawal of Syrian peacekeeping forces and reduction of Israeli overflights and military presence in southern Lebanon.

Spanish Socialists Still Would Seek NATO Referendum

BARCELONA — The opposition Socialist Party remains committed to calling a referendum on Spain's remaining in NATO if it wins the 1983 elections, according to party leader Felipe Gonzalez Marquez.

Mr. Gonzalez, whose party scored a landslide win in a regional election in Andalusia last month, repeated his referendum pledge at a party meeting in Barcelona late Monday, a day after Spain formally joined the North Atlantic Treaty Organization.

Last fall, before the Cortes (parliament) voted to allow the government to seek alliance membership, the Socialists used the slogan "No to NATO Entry." Some observers had interpreted this as a sign that the Socialists would let Spain remain in the alliance once it had entered.

Russia Condemns Entry

MOSCOW (AP) — The Soviet Union has condemned Spain's entry into NATO.

Monday's commentary by Tass news agency said Spain's decision was "a step in the wrong direction."

Middle East despite Mr. Haig's statements. Their reserve reflects seven years of civil war and other hostilities that the United States has carefully steered clear of. In their eyes, the United States has failed to restrain Israel in its attacks on Palestine Liberation Organization targets on Lebanese soil.

U.S. determination to uphold the Camp David formula for Palestinian autonomy on the West Bank, coupled with the administration's desire to eclipse the Soviet Union in Middle East peacemaking, make the prospect of significant change extremely remote, Mr. Butros said.

The Difficulties

As he spoke in the Foreign Ministry building, submachine gun, heavy machine gun and rocket-propelled grenade fire crackled and boomed a quarter mile away.

Several Iraqi-backed leftist militias and armed Kurds were fighting with Iranian-backed Shiite Moslem gunmen on the edge of Beirut's Moslem quarters.

Although the clashes had little to do with Lebanon's many conflicts — reports indicated that they involved a personal vendetta — they dramatized the difficulties Mr. Butros was speaking of.

One difficulty is the refusal of the United States to deal directly with the Palestine Liberation Organization, whose 15,000 armed guerrillas are a major part of the Lebanese conflict. Washington pledged to Israel in 1975 that it would avoid dealing with the PLO until it recognizes the Jewish state and its right to exist.

Another, Mr. Butros said, is the absence of Soviet involvement in an effort to arrange peace among the three parties, two of which — Syria and the PLO — have close ties with Moscow. "The Soviet Union exists in the area, directly or through proxies or friends," he said. "Any solution cannot dodge a minimum of understanding between the two superpowers. Lacking this sort of understanding, it will be very difficult for the United States to do anything in the area."

Marshall Islands, Washington Reach A Tentative Agreement on Self-Rule

WASHINGTON — The Marshall Islands would move a step closer to self-government under a tentative agreement signed by representatives of the United States and the western Pacific islands, U.S. officials said.

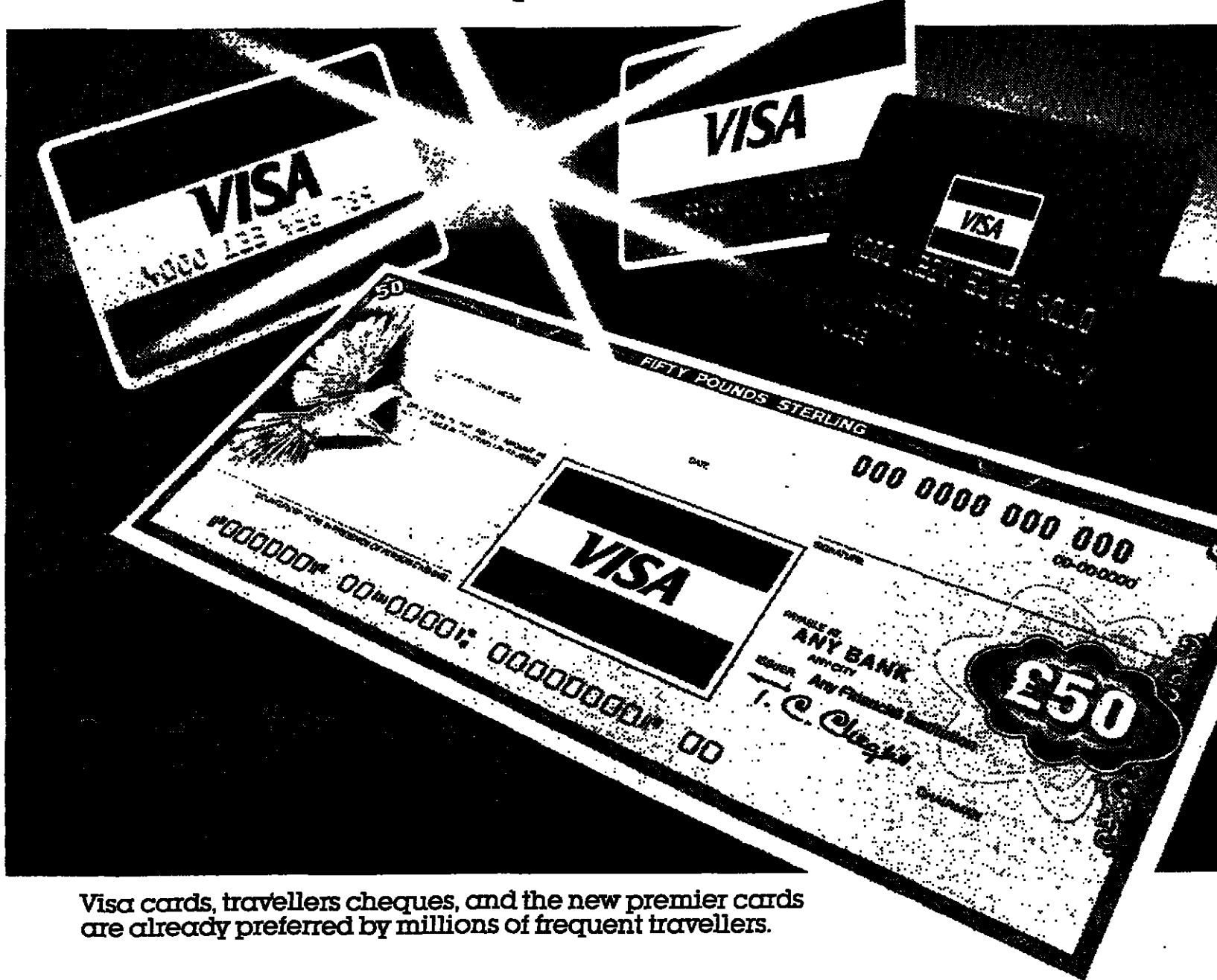
The agreement would grant the Marshalls full internal self-government and "very extensive foreign affairs authority," Richard Teare of the U.S. Office for Micronesian Status Negotiations said Monday.

The United States would continue to provide military protection for at least 15 years.

The agreement, signed in Honolulu Sunday by U.S. Ambassador Fred Zeder and President Amata Kabua of the Marshall Islands, crowned 13 years of talks.

It must be approved by Congress before it takes effect. The signatures on the agreement were the second step toward approval of the measure. The first step was its initialing by negotiators in 1980.

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ARTS/LEISURE

Bill Graham and the Stones Caper

By Michael Zwerin
International Herald Tribune

PARIS — Cary Grant once starred in a movie about a retired jewel thief living on the Riviera. He passed up all capers offered to him. "I'm retired," he'd say. But then something special came along and he thought: "This one interests me." He hired the getaway driver and the blueprint reader and all the experts he needed, and that, Bill Graham explains, is how he got to manage the recent, triumphant Rolling Stones' American tour, and their current tour of Europe.

Graham had not exactly been retired. His organization promotes most of the rock concerts in the San Francisco Bay area. He handles the group Santana, and his

company, which employs more than 300 people, is one of the largest rock 'n' roll merchandising outfits in America — T-shirts, badges, music publishing and so on. But his life was entirely too calm for the guy who more or less single-handedly created the rock concert industry.

Mick Jagger was holding a press conference on the other side of the room. The two of them had flown to Paris from London for the afternoon. They were running four hours late. The waiting press had been turning surly until both Jagger and Graham began speaking to them in French. Jagger turned on all his considerable charm. The French journalists were soon seduced. Graham looked over to make sure every-

thing was under control, and then spoke of himself.

"I was in a Berlin orphanage in 1939. My parents were Russian Jews. My father died when I was a baby. The war had split the family up. During the summer of '41 there was an exchange, some children from a French orphanage came to Berlin and I went to Paris. Then I went to live in The Bronx, thank God."

Joined Mime Troupe

He took acting lessons while waiting on tables in the Catskills resorts. That seemed to be going nowhere so he went to San Francisco, became involved in weekend theater, traveled, and eventually landed a job as an office manager for Allis-Chalmers. But he was frustrated and left to join the cooperative San Francisco Mime Troupe.

This was a political group dealing with issues like gay lib, women's lib and the Vietnam war. He seemed to be the only member with any business experience and became manager more or less by default. He arranged free shows in parks and schools and the troupe began to get a reputation, but they were not eating regularly. Graham was driving trucks and buses for a living. He organized a benefit for the troupe in a loft.

All bohemia showed up — Allen Ginsberg, the Fugs, Frank Zappa and others. It was so successful everyone said: let's do a bigger one. Ralph Gleason, the critic, told him about a roller skating rink in the Fillmore district, a black neighborhood. On Dec. 10, 1965, Graham produced a show at the Fillmore Auditorium featuring three bands with local reputations — The Jefferson Airplane, The Warlocks (who later became the Grateful Dead), and Great Society, with Grace Slick. "I've often thought we were all born in 1965," he said.

"Every time I'd meet a musician he'd tell me about another great band: 'Man, you ought to book Paul Butterfield out of Chicago.' I started packaging. I put Miles Davis on with the Grateful Dead, Roland Kirk played with the Staple Singers, I booked Woody Herman on a rock 'n' roll show. I always figured the headline group would draw the people who would then be introduced to this other less commercial music and if 10 people who came to hear the Dead were turned on to Miles Davis, I was happy."

Thriving on Risks

Graham opened the Fillmore East in Greenwich Village and turned into a ubiquitous, iron-willed entrepreneur who thrived on risks others avoided. The name Fillmore became synonymous with the international rock explosion.

Those were hopeful times. Rock seemed to be a revolutionary vehicle. The best of it was political statement as much as music. "Rock is no longer a social force," Graham said, once stating a fact that would succeed even without tabloids and flowers. It's a matter of pride. The people would come and see the Stones even without special effects and ramps and so on, but we keep them there even though maybe we don't have to."

"Maybe the symbol has gone out of it, but still, it's kind of like running a good restaurant that would succeed even without tabloids and flowers. It's a matter of pride. The people would come and see the Stones even without special effects and ramps and so on, but we keep them there even though maybe we don't have to."



Bill Graham with Mick Jagger.

Graham is not really a rock fan. He prefers soft jazz like Dave Brubeck's or the Modern Jazz Quartet's, the percussive Latin music of Tito Puente, Machito and Santana, and rhythm and blues. "If you were to ask me why the Rolling Stones are still so popular — which you haven't," he paused, laughing, "I would say that they are one of the few white rock bands who have retained something most of us lose as we grow older. Sensuality. Not just sexuality, it has nothing to do with perversion, they play sensual music."

Reggae still has some of the political dedication of Bob Dylan in particular and '60s rock in general. While R&B continues to propel the rhythmic conviction Graham loves, both of those styles are black, and he shrugged. "Let's face it, the music industry is controlled by the Caucasian race."

"I've had this argument for years. I wish white people would do publicly what they do privately in their homes. That is, move, dance. R&B produces a pelvic rhythm. This is the reason why Otis Redding and James Brown never became superstars like some white bands; because the white world will not move that way in

public. I feel strongly about that. It's not racial, it's a problem of sensual expression."

According to Graham, the Stones are one of the few white bands who had that sensual urgency from the beginning and perhaps the only one to have kept it. So when they asked him to be tour manager, he jumped at the chance. He describes the combination of physical chaos, logistical complications, multimillion-dollar financial transactions and security problems that surround a six-week series of concerts as "Mission impossible, it's the French Foreign Legion."

"I don't have to do this. But to be asked by the Stones is a privilege. I like people who know the street like the Stones do, people who don't live a 9-5 existence." He stopped to laugh at this understatement. "It's where the action is. It's fun."

Rolling Stones: Rotterdam, June 2, 4, 5; Hannover, June 6, 7; East Berlin, June 8; Munich, June 10, 11; Paris, June 13, 14; Lyons, June 16; Gothenburg, June 19, 20; London, June 25, 26; Frankfurt, June 29, 30; July 1; Vienna, July 3; Cologne, July 4, 5; Basel, July 15. Other dates will be announced later.

Rohmer, Chabrol Score Successes

By Thomas Quinn Curtiss
International Herald Tribune

PARIS — Eric Rohmer is basically more playwright than filmmaker. He describes his scripts as "comedies" and "proverbs" and must be the only dramatist ever heard of who supplies the movies with maxims instead of wisecracks.

His approach has high intelligence and literary lining, something of the 18th-century amorists of France. Such an approach is avar to the general, but he has recruited a loyal following among the cognoscenti and it is expanding. It is always reassuring to encounter his name and he is at his very best and most characteristic in his new film, "Le Beau Mariage."

With a dry, wry humor but without disdainful sniffs he recounts the case of a young woman who mistakenly believes her charms are invincible. She sets her cap for a mild-mannered lawyer who politely but firmly evades her grasp. Having made up her stubborn mind to haul him to the altar she pursues him with single-minded ardor, but her subtleties, trickeries and tears are of no avail. Though she is presented as a bluestocking, she has not read La Rochefoucauld, who perceived that even in the most harmonious love affairs one loves more than the other, but neglected to add that in most love affairs it is one who does all the loving. This information would not have aided her campaign, but it would have deterred her from being so ridiculously persistent.

Rohmer's scenario is really a series of duologues — the young woman's abrupt farewell to her painter beau, her announcement of her marital intentions to her wary mother, her confidences to a girlfriend and her circuitous advances to the man she has chosen. Aware that the movie public looks but never listens for long, he has interrupted the conversations with train trips and short promenades, but cinematically his film has a still-life aspect. Its assets are its keen observation, its subtle reproduction of human foibles and its skillful acting, with Beatrice Romand as the determined manhunter, with Atilio Dombasle as her adviser, and with André Dussolier, who makes a gentlemanly getaway. To the cultivated palate it is as refreshing and as stimulating

as a glass of dry, chilled champagne.

Glaude Chabrol has been for a long stretch dangerously below par as far as his screen direction goes, engaged in the manufacture of ghoulish shockers scarcely distinguishable from the cheap horror flicks. "Les Fantômes du Chapelle" restores him to respectability, for as a pioneer in the New Wave flood he secured an immense reputation, starting the placid scene of 20 years ago with "Le Beau Serge," so insouciant that it now might be mistaken for an imitation, and "Les Bonnes Femmes" which, though it got nowhere commercially, left a haunting impression.

His rehabilitation has obviously come about by his taking serious stock of his situation. In this in-

stance he has not grabbed a trashy whodunit and "shot," as seems to have been his modus operandi. He has selected a Georges Simenon novel crammed with macabre magic and shadowy forebodings. That decision made, he drafted two blue-ribbon actors as his principal interpreters and filmed the adaptation with his reactivated artistry. To disclose the mysteries of the plot would be unfair. Sufficient to say that Michel Serrault impersonates a hatter of a gossipy small town whose neighbor (Charles Aznavour), a timid tailor, suspects him of being guilty of series of murders. There is a constant harping of (what is the quaking tailor stalks the peculiar hatter on midnight prowls with suspense maintained until the finale. The result is a spooky melodrama that casts a binding spell.

Broadway Attendance Off

New York Times Service

NEW YORK — While ticket sales for the 1981-82 Broadway season were down from Monday reached an all-time high of \$222 million, attendance declined for the first time in eight years.

Income from ticket sales rose 13 percent over last year while attendance slipped to 10.1 million from last year's record of 11 million, a drop of 8.2 percent. The apparent contradiction is explained by the increase in ticket prices, with top

prices of musicals reaching \$40, compared with \$35 one year ago.

The decline in attendance was attributed to a decrease in the number of new productions — 48 this season as opposed to 60 last season — and to a drop in the number of playing weeks — 1,455 this season as against 1,544 last season. The figures were compiled by the League of New York Theaters and Producers, which adds up Broadway's annual balance sheet.

Arts Agenda

HAMBURG — A program of four new ballets by Shostakovich's music and choreographed by Oleg Chabakov, Mervyn Lundy and John Neumeier, will have its premiere June 6 at the highlight of this year's Hamburg Ballet Days at the State Opera. The festival program, which continues to June 26, includes the premiere of the new ballet "The Firebird" by Shostakovich, choreographed by Neumeier, and "The Nutcracker" by Tchaikovsky, choreographed by Chabakov.

PARIS — The Violated Public Fontainebleau, who is conducting a series of concerts for sale value every night at 11:30 p.m. from June 7 to 17 at the Salle Gaveaux. The program includes works by Beethoven, Chopin, Debussy, and others.

Taiwan's Spies Wage Skillful Covert War Inside the U.S.

By Patrick E. Tyler
Washington Post Service

Nationalists Seek to Sabotage Accord With Peking

WASHINGTON — In the fall of 1979, the FBI learned through national security wiretaps that the top officer in the Taiwanese intelligence service, Rear Adm. Wang Hsi-ling, had obtained a copy of secret U.S. war contingency plans whose disclosure could damage the new ties with Peking.

The contingency plans for the redeployment of worldwide U.S. forces in the event of an attack by the Soviet Union in Western Europe called for the United States to abandon China and Japan and move its forces into the Western Hemisphere to fully engage the Russians.

On Oct. 9, 1979, portions of the study dealing with the so-called swing strategy appeared in the press. U.S. officials said the disclosure was troubling to the infant U.S.-China relationship, which was built in part on mutual security interests.

Ever since 1972, when the United States opened the Peking door, the exile government on Taiwan has represented a covert intelligence threat. Taiwan became America's friend and foe simultaneously.

U.S. officials emphasize that the intelligence services of Taiwan and other friendly nations do not represent anything approaching the threat of Soviet and other Eastern European agents. Yet, Taiwan has engaged in some bold and unpunished intelligence gambits. For example:

• Classified reports that circulated at the State Department's China desk on a given Friday were circulating in Taipei by the following Monday, according to one sen-

ior official of the former administration of President Jimmy Carter.

• In 1974, the FBI broke up a conspiracy by Taiwanese intelligence agents to illegally obtain American-made torpedoes for two surplus U.S. submarines. In order to protect diplomatic relations, however, the State Department successfully urged the government not to prosecute the foreign agents and American businessmen involved in the case.

• By 1977, the Taiwanese government had become so involved in fomenting political opposition to the normalization process in the United States by secretly funding demonstrations, and other activities that the Carter administration added Taiwan to the secret list of hostile foreign intelligence services and targeted Taiwanese diplomats for surveillance and wiretaps.

At the same time, U.S. intelligence agencies continued to cooperate with Taiwan in gathering electronic and human intelligence from China.

An article based on the missing war plan appeared in The New York Times, which stated that disclosure of the plan presented a serious dilemma for the U.S. government: "The study... suggests that the strategy could complicate the administration's new relationship with China, which is said to have strong interest in maintaining American power in the region."

Within days of the article's appearance, Mr. Carter ordered the FBI to find out whether the Taiwanese intelligence service had secured other highly classified war plans. Mr. Carter's national security

adviser, Zbigniew Brzezinski, demanded weekly reports from the FBI on the status of the investigation, which by the time it ended in 1980, proved inconclusive. No changes were ever brought.

Richard Burt, the author of The New York Times article and now an assistant secretary of state in the Reagan administration, said in an interview that he was not aware of the investigation. Also, he added, "I wasn't aware of any Taiwan connection if there was such a connection. I thought the information contained in the documents had legitimate news value and so did my editors."

Not on Soviet Scale

Some former U.S. officials, such as William Glynn, Jr., onetime deputy chief of mission in Taiwan and currently the director of the Asia Society, say that while Taiwan has achieved some notable intelligence coups, it is an overstatement to say that Taiwanese agents have penetrated the upper strata of the U.S. national security establishment.

In addition, Robert Kench, a former career Justice Department lawyer who served in the Carter administration as deputy assistant

attorney general with responsibility for intelligence matters, said, "The level of Taiwan activity is not anywhere approaching the massive activity by the Soviet bloc."

The difficulty in dealing with intelligence threats from friendly nations, however, lies in controlling those threats without damaging important relationships that allow U.S. intelligence agencies to share data collected overseas by the foreign services.

Said Mr. Kench: "Our intelligence agencies always get very concerned and come in and say, 'If you're going to stop them from doing that, they're going to stop helping us.'"

Obtaining weapons and swaying public opinion have been only part of Taiwan's intelligence efforts in the United States. U.S. officials say other efforts have been directed at secretly funding political demonstrations in the United States and monitoring dissident Taiwanese nationals, especially on college campuses.

Concern about the security of Taiwanese nationals was rekindled last summer after the death under suspicious circumstances of a popular Taiwanese scholar teaching at Pittsburgh's Carnegie-Mellon Uni-

versity. The professor, Chen Wen-cheng, died during a visit to Taipei after he was detained for a marathon interrogation session by the national security police.

An official Taiwanese government investigation ruled Mr. Chen's death to be an accident or suicide, but the inquiry also revealed that he was mortally wounded in a fall from a Taipei building after he had been interrogated for 13 hours about his political activities in the United States.

Although the United States has officially ended diplomatic relations with Taiwan, the island government maintains eight diplomatic and commercial missions in the United States under a bilateral agreement completed in 1979.

U.S. officials say Taiwanese intelligence agents worked assiduously on Capitol Hill during negotiations on that agreement to rally support from sympathetic congressmen, such as Sen. Barry Goldwater, Republican of Arizona, and then-Sen. Richard Stone, Democrat of Florida, who today is a registered foreign agent for Taiwan.

These relationships extend beyond Capitol Hill and are deeply rooted by Cold War military assistance and 30 years of intelligence liaison between Taiwan and the United States.

Etruscan Ruins Found Near Mantua in Italy

The Associated Press

MANTUA, Italy — Archaeologists have discovered an ancient Etruscan town, which they believe is the oldest such settlement in the Lombardy region.

De Mariolis of the Lombardy archaeological superintendent's office said that the settlement dates from the fourth century B.C. and is located 12 kilometers (7.4 miles) south of Mantua.

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U.S. Study Finds Major Problems With Defense Language Institute

By Fred M. Hechinger
New York Times Service

NEW YORK — The Defense Language Institute, once considered a pioneer in the teaching of foreign languages, has been reviewed by the General Accounting Office, the investigative arm of Congress, and found deficient in management, priorities and performance.

It has, the office's report said, spent 159 man-years and \$4.2 million to improve the quality of its courses without producing the necessary basic teaching materials. According to testimony taken for the report, "staffing priorities were so erratic that realistic planning was meaningless."

The review was initiated by Rep. Leon E. Panetta, Democrat of California, who had been a member of the President's Commission on Foreign Language and International Studies. The institute's resident courses are taught at Monterey, Calif., and at Lackland Air Force Base in Texas, and nonresident instruction is given at many places.

The institute had its modest start in 1941 as the outgrowth of an Army intelligence course. By the mid-1960s it was training as many as 2,500 persons from all branches of the armed services at its Monterey center alone, and in those golden days its faculty was producing textbooks, tapes and even films for use in sophisticated language laboratories. At the height of the Vietnam War, each year it graduated 1,000 students of Vietnamese with a working vocabulary of at least 1,000 words.

Currently, the institute provides training in 37 major languages and

dialects to members of all the armed services. The institute's staff consists of 350 military personnel and a civilian force of 850, of whom about 600 are faculty members. It teaches about 3,500 students a year, the majority of whom are sent by the Army. The six largest departments are Russian, German, Korean, Chinese, Arabic and Spanish, which together account for more than 90 percent of the faculty and students.

What made Monterey the pride of the military and the envy of many civilian and college foreign language departments was its use of what was then a relatively new approach — total immersion in the new language. English was outlawed, most instructors were natives of the country whose language they taught, and instruction included local history and customs, and often even the native cuisine.

It is not clear what lead to the program's apparent decline. The fact is that the accounting office found that "weaknesses in the institute's language training system of DLI affect the quality of trained linguists." It also reported that an office of academic dean has been created only within the past year.

The report's specific criticisms include: failure to set priorities and to monitor and evaluate the effectiveness of courses; lack of attention to the availability of commercially produced teaching materials and, little, if any, production of new texts by the faculty; "erratic" priorities in staffing; lack of proper record keeping; lack of an officially approved and accepted teaching methodology.

Since 1976, the report charges,

the institute has "not had a single cohesive policy document" to explain its objectives and standards. A 1979 report had observed that course materials, some already 27 years old, "desperately needed attention," but by 1980, not a single new course had been completed.

Although other government agencies, such as the Foreign Service Institute, use commercial texts in language training, the defense institute staff said available books were addressed to a different audience and lacked "military flavor." The report concludes that "existing basic courses have deteriorated to the point where there is a detrimental effect on the quality of training."

In commenting on the report, the Defense Department said that many of the GAO's criticisms were already on the way to being corrected. It said that course development would begin to show results this year, beginning with completion of a new basic Russian course, and that new quality controls were being installed.

Among the recommendations of the GAO are: more effective and less costly use of commercial texts; establishment of standard methodology and better training for newly hired instructors; better supervision and greater accountability and the development of a defense language proficiency test.

The issue is more important than internal disagreements between government agencies. From a defense point of view, the importance of a military language teaching program is heightened in a country whose civilian educational systems have never produced adequate language training.

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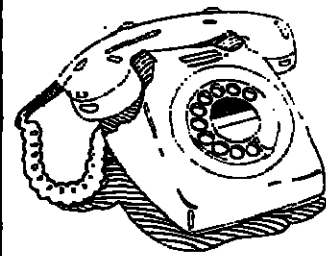
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(Continued on Page 10)

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BUSINESS BRIEFS

Mercantile House to Buy U.S. Firm

LONDON — Mercantile House, a money brokerage, said Tuesday it had agreed to acquire Oppenheimer Holdings, a New York securities firm, for about \$91 million (\$163 million).

Mercantile said the agreement calls for the company to issue 6.2 million new Mercantile ordinary shares plus paying \$115.8 million in cash. Oppenheimer & Co., a private U.S. investment partnership, owns 80 percent of Oppenheimer Holdings. Electra Investment Trust of London holds 20 percent.

Malaysian Estates Pact Completed

LONDON — Malaysia and controlling shareholder Harrison & Crossfield have agreed on a plan to give Malaysia control of Harrison & Crossfield's 80.8 percent interest in Harrison & Crossfield Estates. The plan, announced Tuesday, would transfer the company's 80.8 percent interest in Harrison & Crossfield Estates to Malaysia.

The statement said the plan will involve the acquisition in exchange for shares of all HME's share capital by a new Malaysian company, Harrison & Crossfield Estates. HME shareholders will have the right to receive cash instead of shares for part of their holding. Harrison & Crossfield is choosing the cash alternative for all of its stake in HME.

Dassault Says Orders Strong

PARIS — Banno Vallieres, chairman of Dassault aircraft company, said Tuesday that his group has received orders worth 13 billion francs (\$2.1 billion) since Jan. 1 in spite of a fierce international competition. He told the defense committee of the National Assembly that the new orders amounted to a third of all foreign orders received by French aircraft exporters in 1981.

Mr. Vallieres said the Dassault group was determined to go ahead with construction of the Mirage-4000 twin-jet fighter because "several Middle Eastern nations" — which he did not name — were interested in buying it. He said the plane will be built even though the French Air Force has decided not to purchase it for financial reasons.

Airbus Industrie Awaits Delta Word

NEW YORK — An order by Delta Airlines would be an "extremely important" factor in determining whether Airbus Industrie will produce the proposed Airbus A-320 jet but it is not essential to launching the project, Pierre Paillet, Airbus Senior Vice President, said Tuesday.

Mr. Paillet said in an interview that the European consortium has received no indication of Delta's decision on whether to purchase the 150-seat jet but that he believed the airline was "satisfied" with its proposal.

Delta also has asked Boeing for a proposal for an aircraft of a similar size, he said. Mr. Paillet said Airbus expects to decide this year whether to proceed with the \$2-billion program. He said Airbus has placed firm orders for 25 of the planes and it has options for 25 more.

Alstom Plans 2-for-5 Rights Issue

PARIS — Alstom-Atlantique said Tuesday that it plans to raise its capital from 380.2 million francs (\$61.6 million) to 532.3 million francs through a rights issue of two new 70-franc nominal shares for five old ones. Alstom, which is majority-owned by the recently nationalized Generale d'Electricite, was quoted Tuesday at 168 francs on the Bourse.

Socall Pulls Out of Fructose Project

BERKELEY, Calif. — Cetus Corn said Standard Oil of California had withdrawn from its joint project for the development of a commercial process for the production of fructose. Cetus said it will be entitled to all technology developed by the two companies. It said it plans to proceed with development of the technology.

Sohio Subsidiary Buying Pfandler

CLEVELAND — Standard Oil of Ohio announced Tuesday that one of its subsidiaries had agreed to purchase the world's largest manufacturer of industrial glass-lined equipment.

Sohio said that Sohio Industrial Products Co. agreed in principle to buy Sybron's international Pfandler businesses for \$43 million in cash. The transaction is subject to further negotiations and government approval, the company said.

Compiled From Agency Dispatches

Austria's Economy Viewed With Uneasiness

By John Tagliabue
New York Times Service

VIENNA — In Austria, there have been no giant bankruptcies, like Belgium's Cockerill-Sambre Steel, or any controversial remedies, such as France's industrial nationalization plan. But beneath the surface of apparent tranquility, there is an undercurrent of concern this spring about the economy.

Last year, Europe's recession lapped over into Austria, causing the economy to stagnate after showing a growth of more than 3 percent the year before.

To complicate matters, unemployment, virtually nil in recent years, hit 3.5 percent by the end of the first quarter as a new wave of young persons began entering a labor market already clogged by Austrians returning home from neighboring countries where jobs are scarce.

While no major companies have failed, a rash of small bankruptcies has included some well-known names, including Ennig, an electronics company, and Kneissl, a ski manufacturer.

The resulting strain made it necessary for the government to grant Lenderbank Austria's No. 2 commercial bank and 60-percent state controlled, some \$265 million in state guarantees. A smaller institution, Credex, an affiliate of Britain's Midland Bank, also received state aid.

Strong Ties to East

Austria, which serves as a base of operations for many big Western corporations, has traditionally had strong trade ties with Eastern bloc countries because of its geographic location. But the deterioration of Poland's economy has cast a pall over business with Eastern Europe, and left the Austrian government and banks waiting for repayment of \$1.8 billion in loans.

"Until the first oil crisis in the mid-1970s, we never had a year without growth. We never had a Wallonia, like Belgium, or a Ruhr area, like Germany," said an aide with daily access to Chancellor Bruno Kreisky, alluding to two of Europe's most depressed industrial regions.

In the past, Austria was able to maintain steady growth, despite small domestic problems that saturated easily. This was achieved by increasing exports and keeping the cost of imports low by linking its currency to the strong Deutsche mark.

A liberal government generously supported industry, beginning with the large state-owned companies that account for about one-fourth of the economy, and also supported generous social security payments.

Life in Private Sector To Challenge BNOC

New York Times Service

GLASGOW — The setting was a modern meeting room in an equally modern office building here, and the agenda was a discussion with reporters of last year's results of the British National Oil Corp., just the sort of news conference that usually follows an annual meeting. But for the moment, BNOC has no shareholders and, hence, no annual meeting.

"Next year," Philip Shelbourne, the company's chairman, told the journalists during the recent meeting, "we hope to have some shareholders, plus you."

Created in 1976 to develop North Sea oil on behalf of Britain, BNOC (often called BEE-knock in the industry) has been state-owned since its inception, in keeping with a conviction that Britain's most precious natural resource should be developed for the whole country.

But at least one prominent Briton — Prime Minister Margaret Thatcher — has little desire for a state-owned oil company, and if all goes according to her plan, a 51-percent interest in all of BNOC except its trading arm will be sold to the public this fall. More sales of shares by the government could follow.

Britoil and the Future

At the time the 51-percent interest is sold, a new company, Britoil, will be formed to conduct the exploration, development and production now in the hands of BNOC. Mr. Shelbourne is expected to become chairman of Britoil.

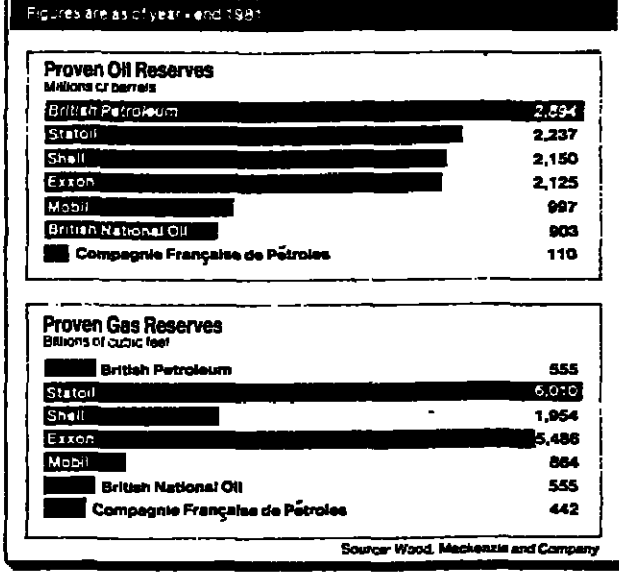
A far smaller British National Oil Corp. will remain as a state-owned middleman in trading domestically produced British oil, a function that even Mrs. Thatcher agrees is important to insure that British oil is available to Britain in times of need.

The sale represents just one part of Mrs. Thatcher's strategy to sell large parts of government-owned companies to the public, but it constitutes by far the largest element and has drawn considerable criticism from the opposition Labor Party.

The Laborites say that it is wrong to grant to the private sector any measure of control over such a crucial resource as oil. They make this argument despite the fact that the plan by the ruling Conservative Party would prevent individual parties from holding large blocks of Britoil shares.

From his start six years ago, BNOC has taken on 2,300 employ-

British National's Share of North Sea Oil



ees — mostly in Scotland — and for 1981, it reported sales of \$5.7 billion (\$10.4 billion) and profits of \$76.6 million. Although revenue rose 33 percent, profit declined from \$117.2 million in 1980 because of the imposition of an additional tax on North Sea oil by a government eager to reduce its budget deficit.

But the future remains murky: Prospects in the North Sea for BNOC and for private companies have become decidedly less attractive in the past year. From a peak of \$39 a barrel a year ago, the price for North Sea oil has dropped to \$31. But effective Tuesday, Britain raised its price to \$25.50 a barrel, to \$33.50.

Nor has much tax relief been forthcoming. In March, the Thatcher government revised the North Sea tax structure to abolish the supplementary duty at the end of the year. Oil company executives say, however, that the new levy will not affect their overall obligations.

BNOC is continuing its efforts in the North Sea. This summer, (Continued on Page 11, Col. 2)

Italian Group Cancels Wage Indexing

From Agency Dispatches

ROME — Confindustria, the association of Italian private industry, Tuesday announced the cancellation of its 1975 accord with unions on wage indexing, long denounced by the government as a major factor fueling Italy's double-digit inflation.

News of the Confindustria decision touched off strikes, demonstrations and assemblies throughout Italy.

Union leaders called for a 1-hour general strike in every place of work in the nation, to be coupled with a 4-hour general strike in all private companies associated with Confindustria and others which have not yet obtained a new work contract.

In addition it called for a 15-minute general strike by workers in all public services, with the exception of the state-run railroads and airlines and "essential services."

The secretary general of the Italian textile workers union, Rino Caviglioli, said the reaction of union members would be "hard and intransigent, with the firm intention of repulsing the employers' attack."

The indexing system has enabled the workers to maintain their purchasing power in the face of inflation by automatically raising their salaries at roughly the same pace as the inflation rate.

"Rising labor costs and the effects of existing automatic compensations... and of increased costs resulting from seniority raises are absolutely incompatible with the government's anti-inflation policy," Confindustria President Vittorio Merloni said explaining the cancellation in a letter to Italy's major labor unions.

But Confindustria remains ready for further talks on overall wage costs to reach a new agreement with the unions more in line with stated objectives, and in particular with the need to limit inflation.

The Italian government is hoping to bring the inflation rate down to 13 percent. It is currently running at 16 percent.

Under the terms of the 1975 agreement, the escalator mechanism is automatically renewed year by year unless either the employers or the unions give a six-month notice of revocation.

The association's decision to

cancel the accord applies only to private industry. The public sector industries have yet to take a position on the wage indexation accord.

A government bill introducing the partial indexation of severance pay and pensions came into force Tuesday after being pushed through Parliament last month.

The association's decision to

Dollar Rises on Rumors of Franc Devaluation

From Agency Dispatches

LONDON — The U.S. dollar was stronger against most major currencies Tuesday, after a morning dominated by rumors that the French franc would soon be devalued within the European Monetary System, dealers said.

The franc's fall dragged down its EMS partners and other currencies.

But the British pound, still isolated to a large extent from market volatility by the Falklands conflict, fell less than other currencies against the dollar and made ground against continental currencies. It closed at \$1.7875, compared with Friday's \$1.7915.

In Frankfurt, the Bundesbank sold \$40.15 million in its first official intervention in two months, as the dollar was fixed sharply higher at 2.3710 Deutsche marks, after 2.3452 DM on Friday. The dollar closed at 2.3720 DM in London Tuesday.

The franc was aided against the Deutsche mark by the Bank of France, though no intervention was seen against the dollar. Dealers could not put a figure on the amount of Deutsche-mark intervention, but said it must have been considerable because the franc's rate against the mark fell to 2.6050 francs from 2.6150 in half an hour. The Bank of France has spent more than \$33 billion, defending

Oppenheimer Sets Retirement in '83

Anglo American Chief Passes Over His Son in Selecting a Successor

The Associated Press

JOHANNESBURG — Harry F. Oppenheimer announced Tuesday that he is retiring as chairman and director of Anglo American Corp., the world's largest diamond company.

Mr. Oppenheimer, 73 years old, said his retirement from Anglo American will take effect at the end of this year, but that he would remain chairman for the time being of De Beers Consolidated Mines, Anglo's sister company and the world's largest diamond mining concern.

"It would not be right in the present circumstances to make changes in the direction of the diamond industry," he said.

De Beers controls about 80 percent of the world's trade in gem diamonds.

Mr. Oppenheimer said the chairmanship would pass to Gavin W. H. Rely, 56, currently joint deputy chairman. The other deputy chairman, Sir Keith Acutt, will also retire at the end of the year.

Mr. Oppenheimer said he had proposed that his son Nicholas, 36, be appointed joint deputy chairman with Julian Ogilvie Thompson, 48.

Mr. Oppenheimer had indicated earlier that his son would not be given the chairmanship, and observers had believed that Mr. Rely would get the job.

Mr. Oppenheimer succeeded his father, Sir Ernest, to the chairmanship of Anglo American, which the older man founded in 1917. The company now produces about 40 percent of the gold in South Africa, the world's largest gold producer. It digs a third of South Africa's coal and a third of its uranium and has indirect control of the world's largest platinum-mining company.

It has assets valued at \$15 bil-



Harry F. Oppenheimer

lion, and companies it controls comprise half the value of the Johannesburg stock exchange.

It is also the largest foreign investor in the United States, while at the same time trading with the Soviet Union and China.

Documents filed with the U.S. Securities and Exchange Commission showed recently that through a subsidiary, Minoro, which is based in Bermuda, Anglo American and De Beers have taken strong positions in dozens of U.S. mining concerns.

The expansion into the United States was part of Mr. Oppenheimer's corporate strategy. Seeking to extend his companies' stake outside South Africa for political and economic reasons, he transferred assets valued at about \$2 billion to Bermuda.

Among its other holdings, Minoro is the largest shareholder in Phibro-Salomon Corp., the New York commodities trading company that owns the investment banking house of Salomon Brothers.

out the possibility of a devaluation or withdrawing from the EMS. The substance of the report was denied by the presidency later Saturday.

Dealers said pressure on the franc, aiming for much of the year since the Socialist administration took office, stemmed from a belief that France's weakening economic performance would make inevitable a devaluation within the EMS, which sets fluctuation limits for its eight member currencies.

The franc was marked down 8.5 percent against the mark in the EMS last October in what the French government depicted as an operation forced by the legacy of the previous administration.

NYSE Prices Lose Ground On Economic Uncertainty

From Agency Dispatches

NEW YORK — Prices on the New York Stock Exchange closed lower Tuesday as investors became increasingly gloomy over the outlook for interest rates and the economy.

The Dow Jones industrial average closed off 4.57 at 814.97. The average has closed lower 13 out of the past 16 sessions. Declines led advances by about 940 to 440, and volume slipped to 41 million shares from the 43.9 million traded Friday.

Credit markets also continued to weaken because of an overall lack of support for the market, dealers said.

The only bright spot in the stock market was the takeover battle between Mesa Petroleum and Cities Service.

Analysts said the initial weakness in stocks Tuesday morning was sparked by disappointment over the weekly money supply figures, which also caused the drop in the bond market.

One analyst said that if interest rates remain high an economic recovery will be further delayed and corporate profits could continue under pressure through the third quarter.

Dealers said that federal funds remained firm at 13 1/2 percent Tuesday.

Heavy Borrowing

To sell more abroad, the Austrian Kontrollbank, the export credit bank, borrowed heavily abroad and loaned generously to overseas customers, adding state-backed guarantees against business losses and currency exchange risks.

Helmut Hasche, the Kontrollbank chairman, estimated recently that Austria's net capital import needs would grow from \$1.8 billion a year at the start of the 1980s to \$3.1 billion by the end of the decade.

The government's idea is to balance the books by increasing exports and keeping the level of imports down by conserving energy and supporting a strong currency.

"What the export bank borrows abroad is offset by export earnings. It's a revolving system," said Herbert Salcher, Austria's finance minister.

But achieving this goal is increasingly difficult. Efforts to conserve energy have not kept pace with sharp rises in energy imports, and social benefits have increased employment costs.

Last year Austria ran up a \$5.2-

WEEKLY NOTIFICATION
COMPTREND II
A MANAGED
COMMODITY ACCOUNT.
EQUITY ON:
JANUARY 1, 1982
\$100,000.00
MAY 27, 1982
\$74,730.60
after all charges
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SIEMENS

Expiration of the Warrants Issued in 1972

We wish to point out that the Warrants issued with the 5 1/2% DM-debentures of 1972, due 1982, will expire on August 31, 1982. Depending on the category of Warrant, the holder is entitled to acquire one, five, or ten common shares of Siemens AG having a par value of DM 50.00 each at the option price of DM 188.67 per share. The shares fully participate in the dividend payment for the fiscal year ending September 30, 1982. To exercise the option right, the bearer of the Warrant must transmit a written declaration to Deutsche Bank AG, Munich branch, as warrant agent through one of the receiving agents listed below, using a form which is

available at the receiving agents. The option declaration shall be irrevocable. When making the declaration, the option price has to be paid and the Warrant, together with all four Receipt Coupons (Legitimations-scheine), has to be surrendered. The receipt by Deutsche Bank AG, Munich branch, as warrant agent, of the option price and of the Warrant no later than August 31, 1982, are prerequisites for the option declaration to become effective. Due to provisions of German corporate law, option declarations reaching the warrant agent after the date last mentioned shall not be honored under any circumstances.

Receiving agents in the Federal Republic of Germany and in Berlin (West) are the following banks and their branches:

Deutsche Bank AG
Deutsche Bank Berlin AG
Bankhaus H. Aufhäuser
Baden-Württembergische Bank AG
Bank für Handel und Industrie AG
Bayerische Hypothek- und Wechsel-Bank AG
Bayerische Landesbank Girozentrale
Bayerische Vereinsbank AG
Berliner Bank AG
Berliner Commerzbank AG
Berliner Handels- und Frankfurter Bank
Commerzbank AG
Deutsche Bank Saar AG
Deutsche Genossenschaftsbank
Dresdner Bank AG

Hamburgische Landesbank - Girozentrale -
Hessische Landesbank - Girozentrale -
Merck, Finck & Co.
Metallbank GmbH
Norddeutsche Landesbank Girozentrale
Sgl. Oppenheim jr. & Cie.
Trinkaus & Burkhart
Vereins- und Westbank AG
M. M. Warburg-Brinckmann, Wirtz & Co.
Westdeutsche Landesbank Girozentrale
Württembergische Kommunale Landesbank Girozentrale

Receiving agents in Switzerland are the following banks:
Union Bank of Switzerland
Credit Suisse
Swiss Bank Corporation
Swiss Volksbank

Receiving agent in Paris is:
Credit Lyonnais

In accordance with stock exchange rules, trading of the Warrants on the German stock exchanges will be discontinued as of the close of business on August 24, 1982.

Berlin and Munich, June 1982

SIEMENS AKTIENGESellschaft

U.S. Industry Beginning to Get a Boost From Reagan Arms Buildup

By Winston Williams
New York Times Service

CHICAGO — The first ripples of the Reagan administration's military buildup are reaching the nation's factories.

At the huge Northrop Defense Systems plant in Rolling Meadows, Ill., for example, the company has doubled its manufacturing space in the last two years. It has spent millions of dollars on new equipment, its sales have tripled and its employee rolls have grown by 26 percent, to 2,500.

Significantly, however, the growth in employment at Northrop and at other military plants has slowed, except for engineers and other technical personnel, and it is not expected to pick up again for eight to 10 months. In other ways, too, the full impact of the \$150-billion, five-year buildup will not be felt for some time.

"The days of Rosie the Riveter of World War II just aren't the same any more," said Dan Pennie, vice president of Boeing Aero-

tary buildings have provided for the economy.

Opponents of large military budgets have often complained that arms spending creates few jobs. They also argue that large budgets are inflationary because they push up the prices of critical raw materials and skilled labor while creating shortages and bottlenecks. Some critics argue, also, that arms spending "crowds out" investment in commercial production.

However, because of the current deep recession, including sharp contractions in the commercial shipbuilding and aerospace industries, many of these fears have faded. Indeed, prime contractors and subcontractors are burdened with excess capacity. Waiting per-

ods for once-scarce parts, such as landing gears and computer chips, have gotten significantly shorter. And price increases are moderating, although the inflation rate for weapons systems is still two to three percentage points higher than the broader price indexes.

But the rising military expenditures, analysts believe, will have only a slight effect on the unemployment rate. The Pentagon expects the military-related industries to add about 350,000 workers by 1984, bringing contractor employment to 2.86 million. About a million related jobs would be created by what economists call the "multiplier effect."

Several factors are expected to retard any surge in employment. The investment of hundreds of

millions of dollars in state-of-the-art production equipment has reduced the need for production workers. And a large portion of the military spending plan is earmarked for new systems, such as the B-1 bomber and the MX missile, which at first require technical, professional and managerial personnel rather than production workers.

McDonnell Douglas, the largest U.S. arms contractor, does not expect any significant employment increases until 1984. General Dynamics, with a \$13-billion backlog of military contracts, sees a rise in employment of just 10 percent in the next few months, Boeing says its military-related employment is "increasing somewhat."

At Tenneco's Newport News

Shipbuilding division in Virginia, the Navy's largest contractor, employment is down slightly from 1981. Officials do not expect it to return to the level of 28,000 reached in the early 1970s.

"There's a lot of money in the pipeline, but the impact hasn't been felt yet," said Edward A. Swoboda, a military analyst in the Congressional Budget Office. "It won't be until 1984 or 1985 before we see any surge in employment."

Outlays for military hardware are surging now, however. In this fiscal year, expenditures will increase by 17 percent, to \$41.3 billion. Next year, procurement outlays will grow 30 percent more, to \$55.1 billion, according to Bache Halsey Stuart Shields. Appropriations are rising at an even faster

pace, and the backlog of authorized but unfinished weapons projects is valued at nearly \$100 billion.

Changing trends in manufacturing also will limit jobs. Over the last decade, military contractors have been affected by the same economic forces that have eliminated jobs in other industries. Work is growing more technical, limiting the demand for production jobs, and large investments are being made in labor-saving machinery to increase productivity. All the major contractors are experimenting with robotics and computer-aided manufacturing.

With an embarrassing history of cost overruns and charges of waste and mismanagement, military contractors have turned to improving

productivity and holding down costs. They say the new dedication to efficiency and the slack in the industrial markets make this a good time for the government to buy hardware.

Excess Capacity

The prime contractors say they have excess capacity for building planes and ships and that the higher production schedules of the next few years will not tax their resources.

McDonnell Douglas will build 12 fighters a month over the next several months, but the company says it has capacity for five times that rate. General Dynamics, which will build between 10 and 15 fighters a month, has the capacity for 40 a month.

Gold Markets June 1

	A.M.	P.M.	CLOS.
London	222.65	219.25	219.25
Paris (17.15)	219.10	218.50	218.50
Zurich	222.60	218.50	218.50
Frankfurt	222.60	218.50	218.50
New York	218.75	218.75	218.75

Official figures for London, Paris and Zurich. New York closing prices for June 1 and 2, 1982. U.S. dollars per ounce.

Gold Options (prices in \$/oz.)

	June	July	Aug.	Sept.
300	17.00-20.00	20.50-23.50	21.00-24.00	21.00-24.00
200	17.00-20.00	20.50-23.50	21.00-24.00	21.00-24.00
100	17.00-20.00	20.50-23.50	21.00-24.00	21.00-24.00
50	17.00-20.00	20.50-23.50	21.00-24.00	21.00-24.00

Valeurs White Weld S.A.
1, Quai du Mont-Blanc
1211 Geneva 1, Switzerland
Tel. 31 02 51 - Telex 28 305

BNOC Set to Face Private Future

(Continued from Page 9)

it is expected to become the first company in two years to file plans to develop a new field, called Clyde.

At the same time, in recognition of the uncertain prospects, BNOC has begun to branch out to places as remote as Indonesia. The company has also been drilling in Dubai in partnership with Atlantic Richfield of the United States, and recently reported a discovery there. BNOC is also seeking to drill in Irish, Danish and French areas.

And in what may prove to be its most ambitious diversification, the company plans to begin exploration in the United States, which Mr. Shelbourne, a former banker, called "quite attractive."

Sights on U.S.

"We can't wait around for the North Sea to run out," he said in a recent interview. "The United States is in our sights for '83."

The big question is whether BNOC, which enjoyed special prerogatives until Mrs. Thatcher came to power in 1979, will be able to compete in an industry dominated by 50-year-old giants. Britain will be a decided newcomer. And thus far, it has had the advantage of substantial reserves transferred to it at its creation. In addition,

until recently, it had preference in winning new exploration rights.

"Broadly speaking, BNOC always had more acreage and prospects than it had people to handle them," one analyst said.

Analysts are awaiting the planned stock issue with considerable caution. Their estimates of the company's value have dropped as prices for North Sea oil have declined, and at the moment, most believe the company as a whole is worth about £1.6 billion. That price covers equity interests in seven producing North Sea fields, interests in two fields under development and a substantial number of significant discoveries.

The decline in the estimated value of the company's shares is another argument that the Labor Party has put forward against the sale, saying that if a sale must take place, this is a poor moment.

BNOC's production at the end of 1981 was running at 142,000 barrels a day, 7 percent of total North Sea production. "So far, it's all North Sea with a bit of the rest," said Anthony Bellingham, an analyst with Phillips & Drew, a brokerage house. "BNOC will now have to gear up for something they've never done."

One thing that the new Britain will stay away from is the downstream part of the oil business — refineries, gasoline stations and the

like. "Absolutely," Mr. Shelbourne said firmly. "You can't make money there. At best, they make it two years out of five."

Less attention has been paid to the fate of the trading arm, which will lose the cushion of profit from oil production and will have to live by its wits.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

Canada

	1981	1980
Royal Bank of Canada		
1st Quarter	1982	1981
Revenue	85.2	104.5
Profits	6.92	1.25
Per Share	1.92	1.91
Profits	144.0	243.9
Per Share	1.80	2.98

Japan

	1981	1980
Mitsubishi Metal		
Year	1981	1980
Revenue	301,740	327,590
Profits	2,030	1,690
Mitsui Mining & Smelting		
Year	1981	1980
Revenue	257,060	272,810
Profits	5,500	1,570
Sumitomo Metal Mining		
Year	1981	1980
Revenue	290,040	285,700
Profits	2,130	4,850

All these securities have been sold. This announcement appears as a matter of record only.

NEW ISSUE



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Strasbourg/Paris

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May 20, 1982

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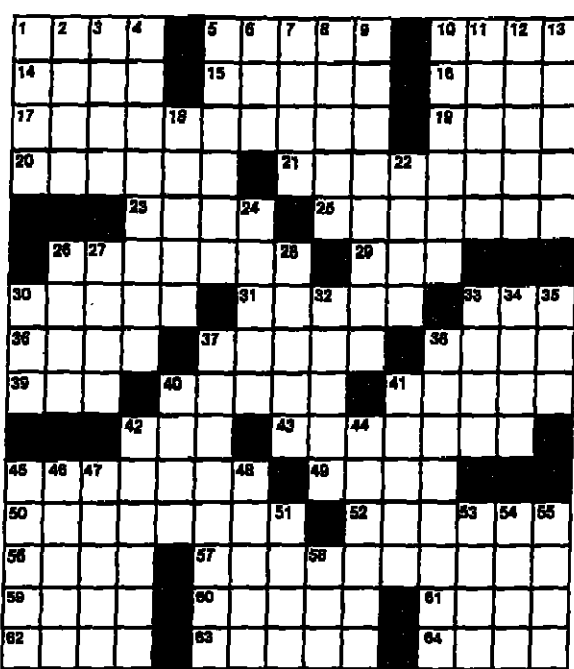
June 1, 1982

Tables include the nationwide prices up to the closing on Wall Street.

International Herald Tribune
We've got news for you.

CROSSWORD

Edited by Eugene T. Malachuk



ACROSS

- 1 Speech defect
5 Bag man
10 Did an impression
14 Dies
15 Those in ambush or in bed
16 contender
17 Bringing good luck
19 What claque does
20 Brook
21 Ties
22 Spoonmaker's device
25 Flagger
26 Dealer in land
28 Rocky peak
30 Petty officers, for short
31 Entangle
32 Belgian resort
36 St. Louis, Ill.
37 Wandered
38 Medicinal plant
39 Before
40 Assisted
41 Strings a customer
42 Asian holiday
43 Flights
45 In the dark
49 Antelope group's acronym

DOWN

- 2 Conclude a speech
3 Immaturity
4 Type of shoe
7 Liable to be accused
8 Dared devil's first name
9 Sample
10 Asian weight unit
11 Gainsay
12 Show contempt
13 Basking
14 Period in breast
15 Assuage
16 Cause a friend to say, "The end!"
17 Newcomer in January
18 Light craft
19 Women double
20 Forest denizen
21 Raised
22 Chapelle, historic town
23 Adjusted
24 "Stop the Music" singer
25 One of the
26 Allens
27 Blind as
28 Lamprays
29 Way to go: Abbr.

WEATHER

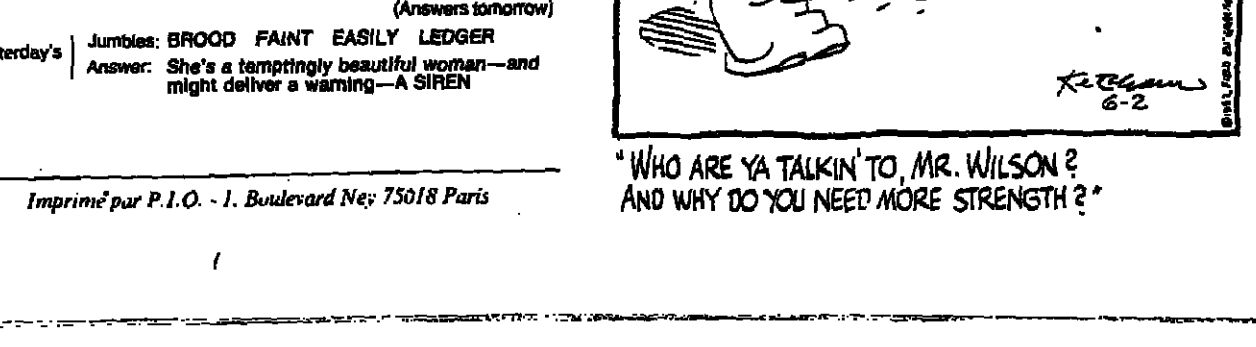
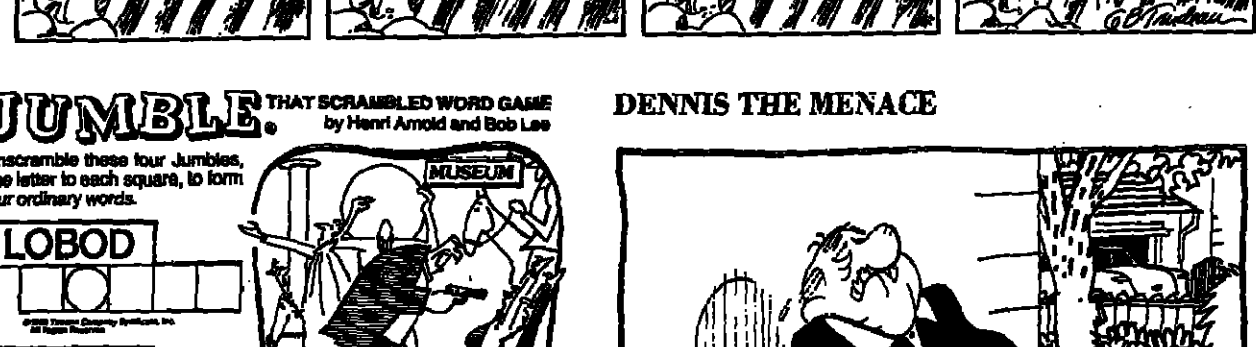
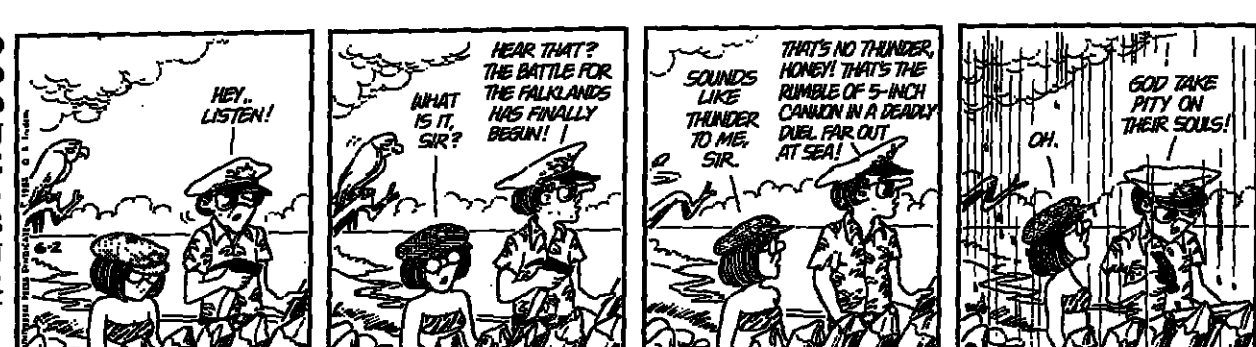
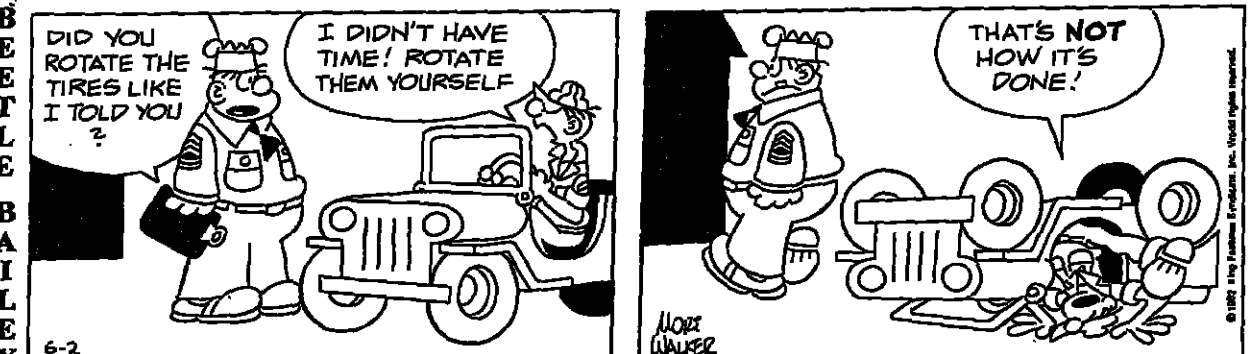
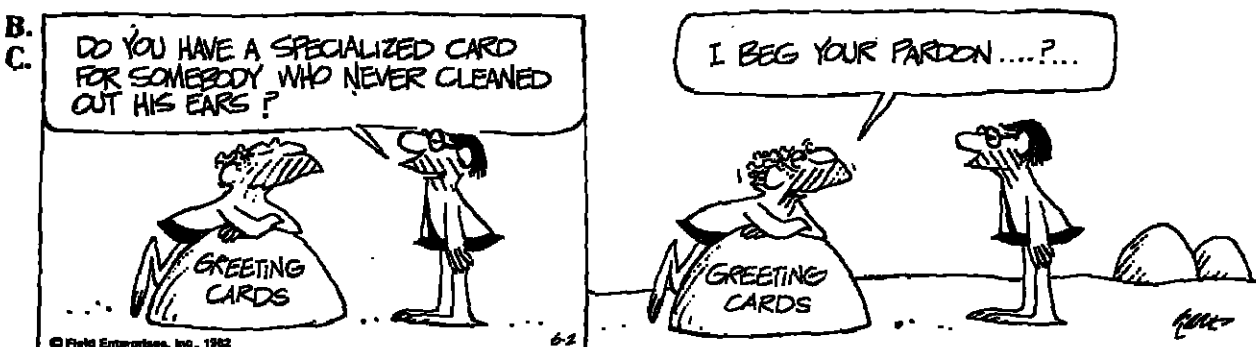
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ALBUQUERQUE	22	14	FOXY	21	13
AMSTERDAM	22	14	FOXY	21	13
ANKARA	22	14	FOXY	21	13
ATHENS	22	14	FOXY	21	13
AUCKLAND	22	14	FOXY	21	13
BANGKOK	22	14	FOXY	21	13
BARCELONA	22	14	FOXY	21	13
BELLEVILLE	22	14	FOXY	21	13
BIRMINGHAM	22	14	FOXY	21	13
BOSTON	22	14	FOXY	21	13
BRAZILIA	22	14	FOXY	21	13
BUEENOS AIRES	22	14	FOXY	21	13
CAIRO	22	14	FOXY	21	13
CANTON	22	14	FOXY	21	13
CASABLANCA	22	14	FOXY	21	13
CHICAGO	22	14	FOXY	21	13
COPENHAGEN	22	14	FOXY	21	13
COSTA DEL SOL	22	14	FOXY	21	13
DAMASCUS	22	14	FOXY	21	13
DUBLIN	22	14	FOXY	21	13
EDINBURGH	22	14	FOXY	21	13
FLORENCE	22	14	FOXY	21	13
HAMBURG	22	14	FOXY	21	13
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HONG KONG	22	14	FOXY	21	13
HONOLULU	22	14	FOXY	21	13
IBRAHIM	22	14	FOXY	21	13
JAKARTA	22	14	FOXY	21	13
JERUSALEM	22	14	FOXY	21	13
LAS PALMAS	22	14	FOXY	21	13
LIMA	22	14	FOXY	21	13
LONDON	22	14	FOXY	21	13

Readings from the previous 24 hours.

ADVERTISEMENT
INTERNATIONAL FUNDS

June 1, 1982

The net asset value quotations shown here are supplied by the Funds listed with the exception of some funds whose values are based on issues prices. The following information is provided for informational purposes only. It is not intended to be used for investment decisions. Please consult your broker for more information.	
BANK OF AMERICA FUNDS	
(1) Bank of America Fund	\$1.00
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BOOKS

THOMAS HARDY

By Michael Millgate. Illustrated. 637 pp. \$25.
Random House, 201 East 50th Street, New York, N.Y. 10022.

Reviewed by Anatole Broyard

AS Michael Millgate observes in this splendid biography, Thomas Hardy seriously hampered his literary career by insisting in his novels on a realism and a pessimism that defied the conventions of Victorian fiction. A man with a minimum of sexual experience, he nevertheless wrote almost modern novels of sexual incompatibility. The famous—or for the critics, infamous—pig-slaughtering scene in "Jude the Obscure," in which Jude and his stammering wife dismember the carcass is like a dismembering of the body of marriage itself.

Yet Hardy could not see that he was wrong. He wrote out of the experience of his life and no critic can argue a man out of his life. Besides, his pessimism was part of his power. It enabled him to see beyond the surface of a society that had one of the most resolute veneers of any time in history. Hardy's bleakness went to the bone in an age when even planes were not allowed to have legs.

The son of a Dorset stonemason, Hardy was too frail for the work and was apprenticed to an architect where he specialized in the Gothic restorations that were then much in vogue. We can see his family's trade and Hardy's own in "Jude the Obscure" and "The Laodiceans." Born in one of the loneliest and most backward parts of Dorset, Hardy seems to have taken to landscape. Although his father and mother could read and write, Hardy's feeling for the land came very close to that of a peasant's.

Resistance to Innovation

His first novel, "The Poor Man and the Lady," was rejected by a number of publishers who all found it "powerful" in spite of—or because of—its bluntness and lack of conventional polish. Almost pathetically willing at first to try to please, Hardy set about writing more conventionally in "Desperate Remedies," his first published novel, and even gaily in "Under the Greenwood Tree." Though these first two books were well enough received, few modern readers want to read them.

"Far From the Madding Crowd," the love story of a headstrong woman farmer and a shepherd with a philosophical cast of mind, was Hardy's first major success. Despite its tragic beginning and a few grisly scenes, it boasted a happy ending.

Hardy was no longer young, nor was he when he married Emma Gifford, with whom he was to spend a lifetime of unhappiness. Though little is known of their intimacy, their life as witnessed by most observers was one more buttress for Hardy's pessimism.

Reviews were brutal and personal in those days, in contrast to the abstract and temperate notices of today, and Hardy often answered them in an attempt to educate the critical fraternity, which seemed determined almost to a man to resist innovation. It is one of the paradoxes of Hardy that he was an innovator in literature and a passionate conservator of old customs at the same time.

Millgate is the kind of biographer writers dream of. He gives us all the necessary details, but none of the gratuitous ones. While he doesn't attempt to psychoanalyze Hardy, he gets as close to him as he can by legitimate means. He traces influences, friendships, infatuations, and parallels between Hardy's life and work. He tells us about Hardy's reading, his tastes in recreation, his travels, his work habits, his conception of the two levels of society—low and high—in which he eventually moved. Even Millgate's description of the house that Hardy eventually built for himself is immensely revealing. After the evergreen he had planted as a windbreak grew tall enough to shroud the house



Thomas Hardy

in darkness, Hardy, as if submitting to a remorseless fate, refused to have them trimmed.

Unlike his own heroes, and in spite of the critics, Hardy died rich, loved and famous, well into his 80s. Though he was a modern, even a revolutionary writer in his time, most of us read him now as a lyrical pastoralist. It may be a sign of the times that some of us take his books to bed, as if even his pessimistic vision was one that enabled us to sleep soundly.

Anatole Broyard is on the staff of The New York Times.

Best Sellers

The New York Times

This list is based on reports from more than 1,400 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

	Weeks on List
1 THE PARFISAL MOSAIC, by Andrew Laidlaw	11
2 THE ONE TREE, by Stephen R. Donaldson	2
3 NORTH AND SOUTH, by John Galsworthy	17
4 THE MAN FROM ST. JOHNS, by Ken Follet	3
5 CLEVERLY, by Thomas Thompson	6
6 THY BROTHER'S WIFE, by Andrew Laidlaw	7
7 TWICE SHY, by Dick Francis	7
8 DINNER AT THE HOMESICK, by Anne Tyler	8
9 SPRING MOON, by Bettye Lord	10
10 PUBLIC SMILES, PRIVATE TEARS, by Helen Van Slyke with James Edward	9
11 DECEPTIONS, by Judith Michael	1
12 FOR SPECIAL SERVICES, by John Gardner	12
13 A MOTHER AND TWO DAUGHTERS, by Anne Tyler	12
14 AN INCIDENT OF OBSESSION, by Colleen McCullough	12
15 THE HOTEL, NEW HAMPSHIRE, by John Irving	11
1 JANE FONDA, WORKOUT BOOK, by Jane Fonda	19
2 LIVING, LOVING AND LEARNING, by Leo Rausa	2
3 THE FATE OF THE EARTH, by Jonathan Schell	4
4 NO BAD DOGS: The Woodhouse Way, by Barbara Woodhouse	3
5 WHAT'S IN THE ATTIC, by Sidi Silvers	7
6 A FEW MINUTES WITH ANDY, by Barbara Woodhouse	5
7 WHEN BAD THINGS HAPPEN TO GOOD PEOPLE, by Harold S. Kinsley	6
8 INFAMY: PEARL HARBOR AND ITS AFTERMATH, by John Toland	14
9 WEST COAST COOKBOOK, New American Library	14
10 SWIMMING, by Henry Kissinger	8
11 HOLY BLOOD, HOLY GRAIL, by Robert L. Carroll	10
12 THE LOVE NEW YORK DIET, by Ross Myerson and Bill Adler	10
13 WHAT EVERY WOMAN SHOULD KNOW ABOUT MEN, by Joyce Brothers	13
14 THE EMPIRE STRUCK BACK, by Ron Luciano	1
15 STRATEGIC INVESTING, by Douglas Casey	1

BRIDGE

By Alan Truscott

WHEN experts play with inexperience, they tend to rise. In general, the experts make a valiant effort to restrain themselves and save their horror stories to tell the other experts later.

Nevertheless, an eccentric action by a novice can sometimes point the partnership in the direction of a good score. This happened on the diagramed deal. However, the other novice at the table saved his partnership from the impending bad score with an eccentricity of his own.

The analysis sheet distributed to the players after the game predicted that East would open in third position with one diamond. It discussed the problem then presented to North, who should really stay out of the auction, and suggested that North-South would have trouble locating the heart fit.

This projection was immediately shot down at one table and probably at others, when West opened with three clubs. The expert, West's bid might well have been passed out, going down three tricks for a moderate score. But the novice in the North seat made an extraordinary take-out double. This action would normally show the values for an opening bid, but here North put his partnership on a good track. South was ready to pass the double for penalties, collecting a probable 500 instead of 150.

This action and the sequel demonstrate that the novice players do not like to pass if they can think of anything to bid. East was in a situation in which experts would pass, knowing it to be unlikely that he could improve on three clubs as a contract. But East bid three diamonds.

This was an improvement on three clubs in more than one respect. Three diamonds would have failed by a trick or two, which was better than three clubs would have done.

East escaped the impending ax, for South's enthusiasm for defending clubs did not extend to diamonds. He tried three no-trump, and East's three-diamond bid had turned North's despair into a liability rather than an asset.

Against three no-trump, West led a diamond, and East correctly played the jack. South won and led the spade king, taken with the ace by East who shifted to his singleton club. West won and shifted back to diamonds. East made another good ducking play, and when he regained the lead with the spade queen he cashed three diamond tricks for down two and a good score.

NORTH		EAST	
♠ 109532		♠ AQ64	
♥ A82		♥ QJ8	
♦ X33		♦ A385	
♣ 4		♣ 3	
WEST (D)		SOUTH	
♠ 87		♠ KJ	
♥ 75		♥ J83	
♦ 742		♦ Q10	
♣ AQ765		♣ K10982	
North and South were vulnerable.		The bidding:	
West	3♣	East	3♦
Pass	Pass	Pass	Pass
West led the diamond two.			

"WHO ARE YA TALKIN' TO, MR. WILSON?
AND WHY DO YOU NEED MORE STRENGTH?"

SPORTS

Puleo Pitches Mets to 10-4 Victory

NEW YORK — Charlie Puleo pitched six hits and struck out 10 batters in seven innings to lead the New York Mets to a 10-4 victory over the Philadelphia Phillies Monday night.

Puleo, who had missed his last start in May, pitched a complete game, allowing three runs, including one earned, and striking out 10 batters in seven innings. He pitched a complete game, allowing three runs, including one earned, and striking out 10 batters in seven innings.

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to relieve Steve Howe (3-1), who took over in the seventh for Ted Power.

Cardinals 11, Giants 6

In St. Louis, Ozzie Smith, Willie McGee, and Tito Landrum drove in two runs apiece in a 10-run fourth inning as the Cardinals overpowered San Francisco, 11-6. St. Louis sent 15 batters to the plate in the fourth, pounding out nine hits against three pitchers and taking advantage of two walks and two errors.

Expos 10, Astros 0

In Montreal, Tim Lincecum hit a pair of two-run home runs in support of Charlie Lea's four-hitter as the Expos trounced Houston, 10-0. Lea (4-2) ran his streak of scoreless consecutive innings to 26.

Phillies 5, Reds 4

In Philadelphia, a throwing error by third baseman Johnny Bench on Manny Trillo's grounder with two out in the 15th lifted the Phillies past Cincinnati, 5-4, in a game marred by a bench-clearing brawl. The fight came in the seventh, when Ron Reed drilled Cincinnati starter Mario Soto with a pitch. Soto earlier had hit Mike Schmidt and Bob Denner with pitches. The Reds blew a 4-0 lead in the ninth.

Orioles 8, Rangers 7

In the American League, in Baltimore, Cal Ripken and Lenn Sakata executed a double steal — Ripken scoring on the play — to break a sixth-inning tie and the Orioles withstood a four-run rally in the ninth to beat Texas, 8-7.

Tigers 4, Angels 3

In Anaheim, Calif., pinch hitter Jerry Turner's run-scoring single capped a three-run ninth as Detroit edged California, 4-3. With

two out and the bases empty, Richie Hebner and Larry Herndon singled before Doug Corbett (1-3) loaded the bases by walking Lance Parrish on a 3-and-2 pitch. Lou Whitaker's single to right scored Hebner and Herndon, tying the score, and Turner hit up the middle drove in Parrish.

Red Sox 5, A's 2

In Oakland, Calif., Rick Miller hit a grand-slam home run and Bob Ojeda and Bob Stanley combined on a five-hitter to pace Boston's 5-2 victory over the A's.

Indians 9, Twins 4

In Cleveland, Von Hayes drove in five runs with a three-run homer, a bases-loaded walk and a double, and Andre Thornton contributed a two-run home run to power the Indians to a 9-4 rout of Minnesota.

Blue Jays 5, Yankees 4

In Toronto, Rance Mulliniks drove in three runs with two doubles to back the combined six-hit pitching of Dave Stieb and Joey McLaughlin as the Blue Jays beat New York, 5-4. Stieb (4-5) went 6½ innings, allowing three hits and two runs.

Royals 11, White Sox 4

In Kansas City, Mo., Willie Wilson and John Wathan had three hits apiece to pace an 11-hit attack as the Royals battered Chicago, 11-4. Kansas City put together back-to-back five-run innings in the fifth and sixth in handing the White Sox their fourth loss in a row.

Mariners 5, Brewers 4

In Seattle, Bruce Bochte singled home the tying run in the ninth and Paul Sena hit a two-run homer in the 11th to lift the Mariners past Milwaukee, 5-4.



Mats Wilander
Gerulaitis found the backhand a little too flexible.

Wilander Is French Semifinalist; Mandlikova Beats Austin in 3 Sets

By Nick Spout
New York Times Service

PARIS — Mats Wilander made a case for fundamentals over finesse Tuesday — even if Tracy Austin failed — as he upset Vitas Gerulaitis, 6-3, 6-3, 4-6, 6-4, to reach the semifinals of the French Open tennis championships. His opponent will be Jose-Luis Clerc, the third-seeded Argentine who beat Peter McNamara, 6-2, 6-2, 6-2.

Austin lost when Hana Mandlikova overcame her nervousness and pulled enough shots from her seemingly limitless repertoire to win, 7-6, 6-7, 7-2. Mandlikova, a 20-year Czech and the defending champion here, had squandered two match points in the second set. In the semifinals, she will play Martina Navratilova, who put an end to Zina Garrison's success, 6-3, 6-2. Garrison, playing in first tournament as a pro, had upset two seeds to reach the quarterfinals.

Wilander, the 17-year-old Swede who bounced Ivan Lendl on Sunday, used his steady baseline game to prove the first rule of tennis: Get the ball back.

Gerulaitis, the No. 5 seed, was his usual aggressive self, serving and volleying well. He was beaten largely because of Wilander's ability to meet those volleys with potent passing shots.

"I played the percentages, but it didn't work," said Gerulaitis, who beat Wilander earlier this year in Brussels. "He played about the same today, but the court helped him here. He played a good, solid match."

Gerulaitis said he was particularly impressed with Wilander's backhand. "The way he rallies with it shows it's a little more flexible than his forehand."

In Gerulaitis, ranked ninth in the world, Wilander had an opponent far different from Lendl, who stays back for the long rallies. "If my passing shots had not worked today," Wilander said, "it would have been difficult."

— Boring

Wilander, the 1981 French junior champion, said he expected to play Clerc as he did Lendl. "I think it will be the same kind of game," he said.

Mandlikova, ranked fifth in the world and seeded fifth here, served for the match twice at 6-5 in the second set. She lost the first match point by backhanding into the net and the second by double-faulting, but kept the game alive by delivering two aces after Austin had twice

taken the advantage. She lost the game by sending a forehand too long, and then dropped the tiebreaker, 7-2.

"I had been close to beating Tracy before," Mandlikova said, recalling how she had taken the first set, 6-1, two years ago at Eastbourne, England. "Maybe that's why I was so nervous."

Austin, who had defeated Mandlikova eight times previously, has said that the hardest part of coming back to tennis after more than four months without a tournament was the mental conditioning. And although Mandlikova was sharp in the final set, Austin's uncharacteristic errors indicated a lack of brainpower.

"I don't think I concentrated too well," Austin acknowledged. "But that was to be expected after the layoff. I made a lot of errors, but just playing this tournament will help me."

"She tries for such low-percentage shots," Austin remarked. "She's going to miss some of them, but she's going to make some, too."

Austin said, however, that she would not bet on Mandlikova's winning the tournament again, explaining that the task of getting past Navratilova and then either Andrea Jaeger or Chris Evert Lloyd in the final would probably be too much for her. Mandlikova, too, missed out of the winter circuit with an injury.

If peer assessment is reliable, it is worth noting that Evert was saying much the same thing the other day. "Martina's mentally stronger," she said. "I would be surprised if Hana made the final. I think she has lost a lot of confidence because she has lost a lot of matches lately. I don't think she believes she can win this tournament."

More confident is Clerc, whose victory over McNamara put him in the semifinals for the second straight year. Playing what was probably his best match in weeks, the No. 3 seed dominated his Australian opponent from the outset. He kept McNamara on the defensive, and afforded him little opportunity to come to the forecourt and go for the point.

"I was well prepared for the match because I've played him many times," said Clerc, who was not so well prepared in the first round, when he was taken to five sets by a French junior player. McNamara said he was not tired physically but might have been a little mentally drained. It was understandable. To reach the quarterfinals, he had to defeat Henri Leconte, the 1980 French junior champion, and then Harold Solomon, Tommy Splick, and Andre Gomer. Each of those matches went at least four sets.

McNamara said he was frustrated at not being able to pressure Clerc early enough to bother him. "He's only going to hit the ball hard if you let him," said the Australian of the Argentine who beat him.

NASL Standings

Eastern Division				
W	L	GP	GP	Pts
New York	4	22	16	26
Toronto	8	13	11	14
Montreal	5	13	11	14
San Jose	2	20	14	10
Western Division				
W	L	GP	GP	Pts
FL Lander	9	20	22	20
San Jose	7	19	17	17
Tulsa	4	18	21	14
San Jose	3	14	18	10

World Cup: The Buildup as Time Winds Down

By Rob Hughes
International Herald Tribune

LONDON — Unless you are reading this in some remote mud hut, igloo or desert tent, it will not have escaped your notice that the World Cup begins June 13. The pulse is already racing.

From all corners of the globe, 24 finalists and thousands of tourists have begun pouring into Spain, poor Spain. The host is, despite 18 years' preparation, unprepared. Her administrators bicker. Her

SOCCER SCENE

government threatens intervention, her renowned capacity for mud-dredging improvisation will be stretched to the limit.

It isn't all Spain's fault. The idea of sport as the bridge between peoples of diverse cultures and creeds is remote in soccer. The players are sequestered in separate, heavily guarded camps. Their militia keep out terrorists who might kidnap, fans who might pester, opponents who might spite. So they meet only on the field.

They contest 52 matches in 14 venues, and they have just one thing in common: Each player is a human fish being magnified inside the television bowl into which a billion viewers will be peering.

If the soccer is allowed center stage, we shall see, now that the tournament has expanded to embrace two dozen finalists, a huge disparity in skill.

Many observers sourly interpret that as a downgrading of standards, but the romantics among us look for new blood, for the invig-

orating element of surprise from such nations as Cameroon and El Salvador.

Still, the heavyweights of this World Cup — Brazil, West Germany, Brazil, the Soviet Union and perhaps Spain, with her own passionate support — will be playing a higher game of tactical doublethink. They have, if they dare to give them licence, players who can perform with indelible style. Those players are the gods of nations which, from Italy to Honduras, from England to Chile, look to soccer as a way of uplifting bored lives.

Yet over and above whatever problems lie inside each camp's walls, the organizers have to hope and pray that certain teams avoid each other.

You may recall the machinery of last winter's World Cup "draw" — a charade that exposed the heavy hand of politics. That event, televised live, was a computerized effort to keep apart those nations whose meeting in friendly rivalry is considered unthinkable — such nations as the Soviet Union and Chile, for example.

Once the tampering had been achieved so overtly, it had seemed everyone was moderately satisfied.

Ruled Out, for Now

But the world's instability is not constant. Argentina and Britain are playing one another around the Falkland Islands, and although all four World Cup finalists involved — Argentina, England, Scotland and Northern Ireland — are still preparing for Spain, soccer's international authorities are terrified at

the thought of them (or their supporters) actually meeting.

The first phase rules that out, so everyone will arrive untroubledly hopeful that such confrontation will be avoided. But it lurks in the background.

The finalists, ostensibly the best 24 of 150 nations, are split into six groups for Round 1. A preview today of two of the groups:

Group 1: Italy, Poland, Peru and Cameroon.

Group 2: West Germany, Chile, Algeria and Austria.

This time, the match between the group favorites, West Germany and Austria, is the group's final, on June 25. By then they should both be home and dry and the result will be subject to the mathematics of whichever second-phase group the West Germans win in particular fancy.

With Paul Breitner controlling midfield, with Karl-Heinz Rummenigge determined to prove himself indisputably the world's most effective striker, and with quality throughout West Germany is entitled to be, alongside Brazil, the tournament favorite.

Chile has an aging nucleus in striker Carlos Caszely and defensive kingpin Elias Figueroa, while Algeria has a younger, more vigorous squad built around a bunch of mercenaries who play in the French league and a quick, inventive midfielder, Lakhdar Belloumi. Africa's player of the year, but even if the wiles of the Chileans and the running of the Algerians are enough to threaten West Germany's easy passage, Austria is likely to be the one solid challenger.

They argue. They seem to put payment before honor. And they are led by a president who is a perversely toy with the careers of short-lived team coaches. But they have Bruno Pezzey, among the best defensive organizers in the world. They have Herbert Prohaska and Kurt Jara creating in midfield. They have Walter Schachner and Hans Krankl scoring quality goals.

When they share a common purpose, they are capable of making even the West Germans sweat.

"By watching the films, we were able to pick up signals when they were going to trap and we could get our people in the right positions," Cunningham said. "We were as prepared as you could be."

The Lakers used only seven players Sunday for the second straight time. "Playing more people wouldn't have made a difference," said Riley.

"Doing things better is what we need."

"This just shows we can lose after all," said Laker Coach Pat Riley. "We aren't going to have two bad games in a row."

Riley is known as Capt. Video by his players because of his constant use of videotapes, but Cunningham took a page from Riley's book after the Game 1. He said he looked at tapes of that contest Saturday, and broke down every phase of the game.

"The 76ers never adjusted in last Thursday's Game 1 and lost a 124-117 track meet. Sunday, they beat the trap and outbounced Los Angeles, 51-39, preventing the Lakers from running."

The 76ers were so lost in the half-court, slow-tempo game that they shot 42 percent, compared with an average of 53 percent in their previous eight playoff games. The Lakers were held to 94 points, the first time they had been under 100 during the playoffs.

In a half-court game, the Los Angeles offense was reduced to Kareem Abdul-Jabbar sky-hooks and jump shots.

Video Freak

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76ers Move Quickly to Slow Down the Lakers

By David DuPree
Washington Post Service

INGLEWOOD, Calif. — All season teams tried to find a way to slow down the Philadelphia 76ers. Get them in a half-court game and they can be beaten, said virtually every team's scouting report.

After two games of the National Basketball Association championship series against Los Angeles, the 76ers have discovered that they must now slow down the tempo and make it a half-court game.

"It's a strange feeling," said forward Julius Erving. "Every time I've ever been on has been the one that set the tempo, ran with the basketball — and here we are with an opportunity to win the world championship, and our best chance could be by slowing down the game."

"Basketball can be a real trip sometimes, can't it?"

The 76ers ran only in spurts in Sunday's Game 2, content the rest of the time to set, move the ball and take the open shot, hit the boards and keep people back on defense to guard against the Laker break. The result was a 110-94 victory that ended the best-of-seven series at 1-1. Game 3 was to be played here Tuesday night. The Lakers are 4-0 at home in the playoffs and were 4-0 on the road as well until Sunday's defeat.

"I just don't believe the home court means that much, as far as we're concerned," said Philadelphia Coach Billy Cunningham. "If

we play our game, we'll do fine. It doesn't matter where we do it."

This series is causing the 76ers to make a number of adjustments. Usually, their opposition is in that position. But the Lakers are a unique foe.

"We're playing against probably one of the greatest teams ever," said 76er guard Curt Richardson. "So we have to react to them and try to take away some of their strengths."

The major change the 76ers made Sunday was designed to beat the Lakers' trapping defense. Los Angeles plays a defense as close to an illegal zone as the rules allow; the Lakers are quick and put tremendous pressure on the ball, usually using 6-foot-9 Ervin (Magic) Johnson as a chaser.

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